

COLLATERAL TRUST AGREEMENT

THIS AGREEMENT made effective the ____ day of _____, _____.

BETWEEN:

PARTNER
(the "Partner")

OF THE FIRST PART

- and -

TRUSTEE
(the "Trustee")

OF THE SECOND PART

WHEREAS:

- A. The Partner has a one-half interest in the partnership known as _____ (the "Business");
- B. The Partner is desirous of holding a life insurance policy or policies on the life of _____ (the "Insured Partner"), who has an equal interest in the Business, for the purposes set forth in this Agreement;
- C. The Trustee has agreed to act as Trustee of the Insurance and the proceeds therefrom.

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants contained in this Agreement, and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties), the parties agree as follows:

1. Insurance

The Partner shall take out an insurance policy or policies (the "Insurance") on the life of the Insured Partner at the time or times and in the amounts decided by the Partner and shall pay all premiums thereon as they become due.

2. Purchase of Insured Partner's Interest

The Partner agrees to purchase the Insured Partner's interest in the Business at the death of the Insured Partner at the price and in accordance with the terms set out in an agreement between the Partner and Insured Partner dated the ___ day of _____, _____.