

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 _____, _____.

3. Value of Insured Partner's Interest

In order to ensure that a fair and equitable calculation of the purchase price may be arrived at in accordance with the agreement, the Partner shall deliver to the Trustee, ___ days following the end of each fiscal year of the Business, a statement signed by both the Partner and Insured Partner showing the value of the Insured Partner's interest in the Business. Such statement may be amended at any time by a statement signed by both the Partner and Insured Partner and delivered to the Trustee.

4. Assignment of Life Insurance Policies

For the purposes of this Agreement, the Partner assigns to the Trustee the Insurance as represented by the policies set out in Schedule "A" hereto, and the Trustee shall hold the same in accordance with the terms hereof. This Agreement shall include any additional policies of insurance hereinafter taken out by the Partner and assigned to the Trustee when listed in a schedule attached to this Agreement and signed by the parties. The Trustee shall hold the Insurance in trust as long as the Partner wishes, but the Partner

shall receive all dividends therefrom. On the Partner's request during the life of the Insured Partner, the Trustee shall reassign any and all of the policies to the Partner.

THIS IS A 3-PAGE FORM.