

THIS DEED OF TRUST AND MORTGAGE made effective the ____ day of _____/_____.

BETWEEN:

«CORPORATION»
(the "Corporation")

- and -

«TRUSTEE»
(the "Trustee")

WHEREAS the Corporation deems it necessary for its corporate purposes to grant the Mortgages described herein;

AND WHEREAS the Corporation under the laws relating to it is duly authorized to grant the Mortgages as hereinafter provided;

AND WHEREAS all things necessary have been done and performed to make the Mortgages, when authenticated by the Trustee, legal, valid and binding obligations of the Corporation with the benefit and subject to the terms of this Trust Deed and to make this Trust Deed a valid and binding deed of trust and mortgage as security for the Mortgages in accordance with its and their terms;

NOW THEREFORE THIS DEED OF TRUST AND MORTGAGE WITNESSES and it is hereby agreed and declared as follows:

ARTICLE 1 - INTERPRETATION

Section 1.1 - Definitions

In this deed of trust and mortgage, unless there is something in the subject matter or context inconsistent therewith:

"Business Day" means a day which is not:

- (a) a Saturday or Sunday; or
- (b) a statutory holiday in _____;

"Certificate of Authentication" means the certificate executed by the Trustee as evidence of issuance of a Mortgage to the Holder thereof, as contemplated in Section 2.6 hereof;

"Co-Owners' Agreement" means the agreement registered against the title to the Mortgaged Property in priority to this Trust Deed which shall govern the relationship of all Holders, the Corporation and the Optionees if and when such Holders, the Corporation and Optionees become co-owners of the Mortgaged Property;

“Default” means any of the events specified in Section 7.1, whether or not any requirement in connection with such event for the giving of notice or the lapse of time or the happening of any other event has been satisfied;

“Event of Default” means any of the events specified in Section 7.1, provided, however, that there has been satisfied any requirement in connection with such event for the giving of notice or the lapse of time or the happening of any other event;

“Extraordinary Resolution” has the meaning attributed thereto in Section 10.12;

“Holders” means the several Persons from time to time in the Register as holders of the Mortgages and Holder means any one of the Holders;

“Holders' Requisition” means any instrument in writing signed by any Holder requiring the Trustee to take such action or proceeding as the Holder may be authorized pursuant to this Trust Deed to so require of the Trustee and containing the indemnity contemplated by Section 11.2 and such evidence of the facts which so authorize the action as the Trustee may reasonably require;

“Corporation” means «CORPORATION» and its successors and assigns;

“Mortgaged Property” means those lands legally described in Schedule “A” attached hereto;

“Mortgages” means the mortgages of the Corporation granted by the Corporation and authenticated by the Trustee and secured pursuant to this Trust Deed substantially in the form attached hereto as Schedule “B” and “Mortgage” means any one of the Mortgages;

“Original Principal Amount” means the amount of indebtedness secured under each Mortgage being \$_____ at the time that each Mortgage is first granted;

“Option” means any one of a maximum of _____ Options granted, or to be granted, by the Corporation for the purchase of an undivided 1/_____th interests in the Mortgaged Property and authenticated by the Trustee pursuant to a Trust Declaration registered against the Mortgaged Property and “Options” means all of such Options and “Optionee” means a Persons who is the holder from time to time of any one of the Options;

“Permitted Encumbrances” means:

- (a) reservations, limitations, provisos and conditions expressed in any original grant from the Crown and statutory exceptions to title;
- (b) liens for Property Taxes not yet due;
- (c) easements, utility rights-of-way, public ways, or similar grants which do not in the aggregate materially and adversely impair the Mortgaged Property;

- (d) defects or irregularities of title affecting the Mortgaged Property which are of a minor nature and, in the aggregate, do not materially impair the use of the property concerned for the purposes for which it is held by the Corporation or materially impair the security for the Mortgages or which the Trustee is willing to accept as not being materially or adversely prejudicial to the interests of the Mortgagees;
- (e) any lease of the Mortgaged Property (provided however that the term of any such lease shall not extend beyond _____, _____);
- (f) the Co-Owners' Agreement;
- (g) the Deed of Trust and Mortgage; and
- (h) the Trust Declaration.

“Person” means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof, and the heirs, executors, administrators or other legal representatives of an individual, and words importing persons have a similar meaning,

“Property Taxes” means all present and future taxes, rates, duties, levies and assessments whatsoever, including, without limitation, assessments for local-improvement and sewer charges, whether municipal, regional, provincial or federal, charged upon the whole or any part of the Mortgaged Property or upon the Corporation in respect thereof, other than taxes imposed in respect of the income of the Corporation, including, without limitation, income, profit, capital gain and excess profit taxes;

“Register” means the register of mortgages kept by the Trustee as contemplated in Section 3.1 hereof;

“Trust Declaration” means the Trust Declaration registered against the Lands to evidence the rights and interests in the Lands of the Corporation and the Optionees,

“this Trust Deed”, “these presents”, “herein”, “hereof”, “hereby” and similar expressions mean and refer to this Deed of Trust and Mortgage and include any deed, indenture or instrument which is supplemental or ancillary hereto or in implement hereof or thereof; and the expressions “Article”, “Section”, “Subsection”, “Clause”, “Subclause” or “Schedule” followed by a number mean and refer to the specified Article, Section, Subsection, Clause, Subclause or Schedule of this Trust Deed; and

“Trustee” means «TRUSTEE» and its successors for the time being in the trusts hereby declared and provided for.

Section 1.2 - Interpretation

In this Trust Deed, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the division of this Trust Deed into Articles, Sections, Subsections, Clauses, Subclauses and Schedules, the insertion of headings and the provision of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Trust Deed;
- (b) the Schedules are specifically incorporated into and form part of this Trust Deed;
- (c) words importing the singular number include the plural and vice versa;
- (d) words importing gender include the neuter, feminine and masculine genders;
- (e) all references to dollar amounts are expressed in terms of lawful money of Canada; and
- (f) reference to any statute or any provision thereof shall be deemed to be a reference to such statute or provision, as the case may be, as amended, re-enacted or replaced from time to time.

Time shall be of the essence of this Trust Deed.

Section 1.3 - Non-Business Days

Whenever any payment or any action is required to be made or taken hereunder, or under the terms of the Mortgages, on a day which is not a Business Day in the place where such payment or action is to be made or taken, such payment shall be made and such action shall be taken, as the case may be, on the next following Business Day in such place without adjustment or penalty for interest. Any payment which is received after 1:00 p.m. on a Business Day in the place of receipt shall be deemed to have been made on the next following Business Day in such place.

Section 1.4 - Applicable Law

This Trust Deed and the Mortgages shall be governed by and construed in accordance with the laws of _____ and the federal laws of Canada applicable therein and shall be treated in all respects as _____ contracts.

ARTICLE 2 - GRANT OF MORTGAGES

Section 2.1 - Limit of Mortgages

The aggregate principal amount of Mortgages that may be granted hereunder is limited to \$_____ in lawful money of Canada, exclusive of any Mortgages granted upon any transfer or in exchange or substitution for or by way of replacement of any Mortgages previously granted. The total number of Mortgages that may be granted hereunder is limited to _____ Mortgages each in the sum of \$_____ in lawful money of Canada, exclusive of any Mortgages granted upon any transfer or in exchange or substitution for or by way of replacement of any Mortgages previously granted.

Section 2.2 - Terms and Form of Mortgages

The Mortgages shall be designated Pari Passu First Mortgages, shall mature on _____, _____, and shall bear interest at the rate of ____% per annum

(after, as well as before, maturity, default and judgment, with interest on overdue interest at the same rate) compounded annually and calculated and payable annually in arrears.

The Mortgages and Certificates of Authentication shall be substantially in the form set out in Schedule "B" attached and shall bear such distinguishing letters and number as the Corporation may determine, subject to the approval of the Trustee.

Section 2.3 - Annual Payments

The Corporation covenants with the Trustee to pay or cause the Optionees to pay to the Trustee sufficient funds in order that the Trustee is in a position to pay to each and every Holder of the Mortgages:

- (a) on _____, _____, interest at the rate set forth herein on the Original Principal Amount from the date of each Mortgage to _____, _____;
- (b) on _____, _____ and on the _____ day of _____ in each and every year thereafter to and including _____, _____, an annual payment of interest of _____ Dollars (\$_____); and
- (c) on _____, _____, the unpaid principal amount and all unpaid interest accrued thereon, at the said rate, to but excluding such date.

Section 2.4 - Original Grant

_____ Mortgages each in the sum of \$_____ and to the aggregate principal amount of \$_____ are hereby authorized to be granted and secured hereby and shall be executed by the Corporation, authenticated by or on behalf of the Trustee and delivered by it, without receiving any consideration therefor, upon delivery to the Trustee of:

- (a) an order of the Corporation as to the authentication and delivery of the Mortgages;
- (b) a certificate of the Corporation that no Default has occurred and is continuing or will occur by reason of the execution and delivery of this Trust Deed or the grant of the Mortgages.

Section 2.5 - Execution of Mortgages

The Mortgages, to be valid, shall be under the corporate seal of the Corporation and shall be signed by an officer of the Corporation.

Section 2.6 - Authentication by Trustee

No Mortgage shall be granted or, if granted, shall entitle the Holder to the benefit hereof until it has been authenticated by or on behalf of the Trustee. Such authentication by the Trustee in connection with each Mortgage shall be in the form of a Certificate of Authentication attached as Schedule "A" to the form of Mortgage set forth in Schedule "B" hereto, which shall be conclusive evidence as against the Corporation that the

Mortgage referred to therein has been duly granted hereunder, is a valid obligation of the Corporation and that the Holder is entitled to the benefit hereof and to the benefit of the Mortgage.

The Certificate of Authentication of the Trustee given in association with each Mortgage shall not be construed as a representation or warranty by the Trustee as to the validity of this Trust Deed or of the Mortgages (except the due authentication thereof and any other warranties imposed by law), provided that the Certificate of Authentication shall be evidence of ownership of the Mortgage by the Holder thereof.

Section 2.7 - Replacement of Mortgages

In case any of the Certificates of Authentication shall become mutilated or lost, destroyed or stolen, the Corporation shall issue, and thereupon the Trustee shall authenticate and deliver, a new Certificate of Authentication of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Certificate of Authentication or in lieu of and in substitution for such lost, destroyed or stolen Certificate of Authentication and the new Certificate of Authentication shall be conclusive evidence that the Mortgage referred to therein shall be entitled to the benefit and security hereof and rank equally in accordance with its terms with all other Mortgages.

The applicant for a new Certificate of Authentication pursuant hereto shall bear the cost of the issue thereof and, in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Trustee such evidence of ownership and of the loss, destruction or theft of the Certificate of Authentication so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Trustee in their discretion, and such applicant may also be required to furnish indemnity in amount and form satisfactory to them in their discretion, and shall pay the reasonable charges of the Corporation and the Trustee in connection therewith.

ARTICLE 3 - REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 - Register

The Corporation shall cause to be kept, with respect to the Mortgages, the Register at the principal office of the Trustee in _____, _____. The Trustee shall enter in the Register the name and latest known address of each Person who is or has been a Holder and the particulars of the Mortgages held by such Person. The registration of any Mortgage and the unpaid principal amount thereof on the date of such registration shall be noted on such Mortgage by the Trustee.

Section 3.2 - Transferee Entitled to Registration

The transferee of a Mortgage, after:

- (a) presentment thereof to the Trustee at the principal office of the Trustee in _____, _____ bearing or accompanied by an instrument of transfer in form and execution satisfactory to the Trustee, or such endorsement as is permitted by law, in each case signed by the Holder or his executors, administrators, successors or other legal representatives; and

- (b) compliance with such reasonable requirements, if any, as the Trustee may lawfully prescribe and, in any event, with all other conditions in that behalf prescribed by law

shall be entitled to be recorded on the Register as the owner of such Mortgage.

Section 3.3 - Inspection of Register and Lists of Holders

The Register shall at all reasonable times be open for inspection by the Corporation or any Holder.

The Trustee, from time to time, shall, at the request of the Corporation, furnish the Corporation with a list of the names and addresses of the Holders of Mortgages showing the Original Principal Amount of Mortgages held by each such Holder.

Section 3.4 - Closing of Register

Neither the Corporation nor the Trustee shall be required to make transfers or exchanges of Mortgages on any date on which a payment is required pursuant to Section 23 hereof or during the 10 preceding Business Days.

Section 3.5 - Ownership of Mortgages

Unless otherwise required by law, the Person in whose name any Mortgage is registered shall for all purposes of this Trust Deed be and be deemed to be owner thereof and payment of or on account of the principal of and interest on such Mortgage shall be made only to or upon the order in writing of such Person.

Neither the Corporation nor the Trustee shall be bound to take notice of or see to the performance or observance of any duty owed to a third Person (whether under a trust, express, implied or constructive, in respect of any Mortgage or otherwise) by the registered Holder or any Person whom the Corporation or the Trustee treat, as permitted or required by law, as the owner or the Holder of such Mortgage and may transfer such Mortgage on the direction of the Person so treated or registered as the Holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

The Holder for the time being of any Mortgage shall be entitled to the principal thereof and the interest thereon free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Holder thereof 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, and all Persons may act accordingly and the receipt of any such Holder for any such principal or interest shall be a good discharge to the Corporation and the Trustee for the same and neither the Corporation nor the Trustee shall be bound to inquire into the title of any such Holder save as aforesaid.

The Corporation and the Trustee may treat the Holder of any Mortgage as the owner thereof, without actual production of such Mortgage or the Certificate of

Authentication, for the purposes of any Holders' Requisition, direction, consent or other instrument to be made, signed or given by the Holder of such Mortgage.

Section 3.6 - Charges for Transfers and Exchanges

The Person requesting any exchange or transfer shall reimburse the Trustee or the Corporation for the Trustee's fees in respect thereof and for any stamp tax or other governmental charge as a condition precedent to such transfer or exchange.

ARTICLE 4 - SECURITY

Section 4.1 - Mortgaging Clause

In consideration of the premises and of the sum of \$1.00 paid to the Corporation by the Trustee (the receipt and sufficiency of which are hereby acknowledged) and to secure the due payment of the principal of and interest on the Mortgages, including interest on overdue interest, and other moneys for the time being and from time to time owing on the security of this Trust Deed and the due performance of the obligations of the Corporation herein contained, and in pursuance of each and every power and authority, but subject to Permitted Encumbrances:

- (a) the Corporation hereby grants, conveys, demises, assigns, mortgages, pledges and charges, as and by way of a first fixed and specific mortgage, pledge and charge, to and in favour of the Trustee, its successors and assigns, all of its right, title and interest, present and future, in and to the Mortgaged Property;
- (b) the Corporation hereby grants, conveys, demises, assigns, mortgages, pledges and charges to and in favour of the Trustee, the proceeds payable pursuant to each Option, including the purchase price payable upon the exercise of each Option, to be held by the Trustee and applied to the benefit of the Holder as specified in the Certificate of Authentication.

ARTICLE 5 - DEALINGS WITH MORTGAGED PROPERTY

Section 5.1 - Possession until Enforcement

Until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, or the Trustee shall have directed payment to it of rents and other moneys, the Corporation shall, subject, however, to the express terms hereof, be suffered and permitted to possess, operate, manage, use, improve and enjoy the Mortgaged Property and to collect, retain and use the rents, incomes, profits and issues thereof in the same manner, to the same extent and with the same effect, except as provided herein, as though this Trust Deed had not been made.

Section 5.2 - Covenant Relating to the Mortgaged Property

The Corporation covenants with the Trustee that, so long as any of the Mortgages are outstanding, the Corporation shall:

- (a) cause the Mortgaged Property and every part thereof to be at all times diligently maintained in a proper manner so as to preserve and protect the same and the present and future rents, incomes, profits and issues therefrom;
- (b) at all reasonable times, allow the Trustee access to the Mortgaged Property and any part thereof in order to view its state and condition;
- (c) from time to time, pay or cause to be paid all Property Taxes or other taxes, rates, duties and assessments, ordinary or extraordinary, and all governmental fees and dues lawfully levied, assessed or imposed upon the Mortgaged Property or any part thereof, as and when the same become due and payable, and deliver or cause to be delivered to the Trustee, on or before the due date for payment thereof, evidence satisfactory to the Trustee of such payment, save and except when and so long as the validity of any such Property Tax or other tax, rate, duty, assessment, fee or dues is contested by the Corporation in good faith by appropriate proceedings promptly initiated and diligently conducted, provided, however, that in any such case, the Corporation shall give to the Trustee, prior to the initiation of such proceedings, notice of such contestation and either satisfy the Trustee that it will not involve any risk of forfeiture of any part of the Mortgaged Property or furnish collateral, in an amount satisfactory to the Trustee, as security for the payment of such Property Taxes or other taxes, rates, duties, assessments, fees or dues and any related interest or penalties;
- (d) at all reasonable times (as well after as before the security hereby constituted has become enforceable and the Trustee has determined or become bound to enforce the same), permit the Trustee or its authorized representatives access to, and to examine, copy or make extracts from, any or all records of the Corporation relating to the Mortgaged Property or any part thereof.

Section 5.3 - Jeopardy of Security

Whenever and so long as, in the opinion of the Trustee, the security hereby constituted shall be in jeopardy, the Trustee may, in its discretion, and shall, when so directed by an Extraordinary Resolution, or a Holder's Requisition, direct the payment to it of all rents and other moneys payable to the Corporation with respect to the Mortgaged Property. Out of such rents and other moneys paid in any year to the Trustee pursuant to such direction, the Trustee may retain the amount of any payment then due and unpaid hereunder in respect of the Mortgaged Property during the next year and shall remit the balance, if any, directly to or to the order of the Corporation. The moneys so retained by the Trustee shall be applied to the payment of the Mortgages. Whenever, after the Trustee has so directed payment to it of rents and other moneys, the Trustee shall be of the opinion that the security hereby constituted is no longer in jeopardy, the Trustee shall remit to or to the order of the Corporation the undisbursed balance, if any, of the moneys paid to it pursuant to such direction and shall direct all tenants to whom such direction was given to resume paying rents and other moneys to the Corporation.

THIS IS A 31-PAGE DOCUMENT.