

000 LAND TITLE ACT
FORM B
(Section 225)

BA395751

29 JUN 2006 09 08

BA395752

Province of
British Columbia

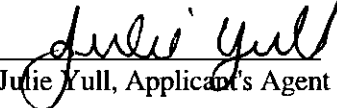
MORTGAGE - PART 1

(This area for Land Title Office use)

PAGE 1 of 3 pages

1. **APPLICATION:** (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
KOFFMAN KALEF, Business Lawyers, 19th Floor, 885 West Georgia Street, Vancouver, B.C., V6C 3H4, 891-3688

West Coast
Client # 10350


Julie Yull, Applicant's Agent

2. **PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF THE MORTGAGED LAND:***
(PID) (Legal Description)
District of Squamish
026-175-843 Lot 2 District Lot 512 Group 1 New Westminster District Plan BCP15538

3. **BORROWER(S) [MORTGAGOR(S)]:** (including postal address(es) and postal code(s))*
UNIVERSITY HEIGHTS DEVELOPMENT CORP., (Inc. No. BC0702072), of 888 University Boulevard,
P.O. Box 1580, Squamish, British Columbia, V0N 3G0

4. **LENDER(S) [MORTGAGEE(S)]:** (including postal address(es) and postal code(s))*
BANK OF MONTREAL, a Canadian chartered bank having a branch office and postal address at 6th Floor,
595 Burrard Street, Vancouver, British Columbia V7X 1L5

5. **PAYMENT PROVISIONS:**** 15 06/06/29 09:06:38 05 LN 715825
CHARGE \$130.40

(a) Principal Amount: \$6,545,000.00	(b) Interest Rate: Prime Rate + 0.125% per annum	(c) Interest Adjustment Date: N/A	Y	M	D
(d) Interest Calculation Period: Monthly	(e) Payment Dates: Last day of each month	(f) First Payment Date: N/A			
(g) Amount of each Periodic payment: Interest only	(h) Interest Act (Canada) Statement: The equivalent rate of interest calculated half yearly not in advance is N/A% per annum	(i) Last Payment Date: N/A			
(j) Assignment of Rents which the applicant wants registered? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page 17, par. 9.02 D.F. No. MT010108	(k) Place of Payment: POSTAL ADDRESS IN ITEM 4	(l) Balance Due Date: ON DEMAND			

MORTGAGE - PART 1

6. **MORTGAGE contains floating charge on land?** YES ___ NO X

7. **MORTGAGE secures a current or running account?** YES X NO ___

8. **INTEREST MORTGAGED:**

Freehold X
Other (specify) ___

9. **MORTGAGE TERMS:**

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms ___
- (b) Filed Standard Mortgage Terms X D.F. Number: MT010108
- (c) Express Mortgage Terms ___ (annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in Item 10 or in a schedule annexed to this mortgage.

10. **ADDITIONAL OR MODIFIED TERMS:***

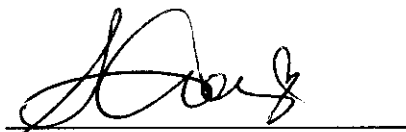
SEE SCHEDULE

11. **PRIOR ENCUMBRANCES PERMITTED BY LENDER:***

Right of Way P37787 in favour of District of Squamish; Easement BX204322 appurtenant to Lot 3 Plan BCP15538; Restrictive Covenants BX352134 and BX352135 appurtenant to Lot 1 Plan BCP15538; and Mortgages BX352136 and BX22514 and Assignments of Rents BX342137 and BX22515, all in favour of Holborn Holdings Ltd. (to be postponed in favour of the Lender).

12. **EXECUTION(S):**** This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in Item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of those terms.

Officer Signature(s)
(Must be executed in black ink)



Name:
SUSAN E. LLOYD
Barrister & Solicitor
2900 - 595 BARRARD ST.
VANCOUVER, B.C. V7X 1J5
604-691-7576


(as to both signatures)

Execution Date

Y	M	D
06	6	27

Party(ies) Signatures(s)
(Must be executed in black ink)

UNIVERSITY HEIGHTS
DEVELOPMENT CORP.
by its authorized signatories:


Name: Douglas Day
Title: President and Director

Name: _____
Title: _____

**LAND TITLE ACT
FORM E**

SCHEDULE

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Enter the required information in the same order as the information must appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

10. ADDITIONAL OR MODIFIED TERMS:*

1. The following paragraphs shall be added to and form part of the Standard Mortgage Terms:

"7.25 Notwithstanding anything to the contrary contained herein, the Bank has no discretion and is absolutely obligated and required to pay the principal amount under any letter of credit, letter of guarantee, bill of exchange, or banker's acceptance issued or accepted by the Bank as a portion of the Indebtedness when presentation is made in accordance with the terms and conditions of that letter of credit, letter of guarantee, bill of exchange, or banker's acceptance and such payment under the letter of credit, letter of guarantee, bill of exchange, or banker's acceptance shall constitute an advance of the Indebtedness or a portion thereof.

7.26 The Mortgagor shall not, without the prior written consent of the Bank, create or permit to create any mortgage, lien or other financial charge on, or claim against the Lands or the Mortgagor's Interest in the Lands."

END OF DOCUMENT