

GUARANTEE

THIS INDENTURE made in duplicate as of the _____TH day of _____, 200_.

BY:

hereinafter called the "Guarantor",

IN FAVOUR OF:

THE EQUITABLE TRUST COMPANY

hereinafter called the "Lender".

WHEREAS the Lender issued a Commitment Letter in favour of _____ (hereinafter called the "Borrower") dated _____ as amended, respecting the provision of mortgage financing for the property municipally known as _____, **Ontario** (the "Property");

AND WHEREAS the said Commitment Letter, as amended (if applicable) is hereinafter called the "Commitment Letter";

AND WHEREAS pursuant to the Commitment Letter, the Borrower has given a Charge/Mortgage in favour of the Lender in the principal sum of _____ (\$_____) respecting the Property (the "Mortgage");

AND WHEREAS the Commitment Letter, the Mortgage and all mortgages, charges, debentures, pledges, assignments, agreements, documents and other security given by the Borrower and/or the Guarantor in connection therewith are hereinafter collectively referred to as the "Loan Documents";

AND WHEREAS, for good and valuable consideration, the Guarantor has agreed to guarantee the due payment and performance of the obligations of the Borrower to the Lender under or pursuant to the Loan Documents;

NOW THEREFORE THIS INDENTURE WITNESSETH THAT, in consideration of the Lender making the said loan and the sum of ONE DOLLAR (\$1.00) of lawful money of Canada now paid by the Lender to the Guarantor (the receipt and sufficiency of which is hereby acknowledged by the Guarantor), the Guarantor does hereby covenant and agree with the Lender, as principal debtor and not as surety and, if more than one guarantor, on a joint and several basis, that it will pay or cause to be paid to the Lender all monies payable under or pursuant to the Mortgage and/or the Loan Documents as and when same fall due, as well as all damages, costs, legal costs as between a solicitor and his own client, charges and expenses which may become due or payable to the Lender pursuant to the Loan Documents or enforcement thereof, and that the Guarantor will well and truly observe and perform all of the covenants, terms and conditions of the Loan Documents to be observed and performed by the Borrower (all of which promises to pay, observe and perform being hereinafter collectively referred to as the "Liabilities");

AND, in furtherance of the foregoing:

1. The Guarantor hereby undertakes and agrees to indemnify and hold harmless the Lender from and against any and all liability, loss, harm, damage or expense, including legal fees on a solicitor and client basis, which it may suffer, incur or sustain by reason of the default of the Borrower under the Mortgage.
2. As between the Guarantor and the Lender, the Guarantor is and shall continue to be liable as a principal debtor, notwithstanding the bankruptcy of the Borrower or any act in connection with this guarantee, any agreement between the Lender and the Borrower or any security held by the Lender, whereby the Guarantor would otherwise be released or exonerated from its obligations under this guarantee including, without limitation, the granting of time or other indulgences to the Borrower, the giving up, discharging, releasing, abandoning, modification, variation, exchange, renewal, assigning, or abstinence from perfecting or taking advantage of any security given or to be given to the Lender by the Borrower or the Guarantor, in whole or in part, the discharge of any part or parts of or acceptance of any composition or arrangement or realization upon any security

given or to be given to the Lender by the Borrower or the Guarantor, or any neglect or omission with respect to any security given to the Lender by the Borrower or the Guarantor. No release of the Borrower or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Lender or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Mortgage and both before and after default and judgment, until the Liabilities are fully paid and satisfied.

3. The Guarantor shall continue to remain liable on any guarantee, covenant and agreement notwithstanding:
 - (i) Any extension of time or extensions of time from time to time which may be given to the Lender(s) to the Borrower for payment, observance, performance or fulfilment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and the Guarantor hereby covenants and agrees with the Lenders that payment shall be made in accordance with such extension or extensions of time and that if payments are not made in accordance with such extension or extensions of time the Guarantor shall make or cause to be made the payments in accordance with such extension of time;
 - (ii) Realization of any securities now or hereafter held by the Lender; and
 - (iii) Doing or omitting to do any other act, matter or thing whatsoever with relation to the Liabilities hereby guaranteed or any security or securities now or hereafter held in respect thereof or any part of same.

The Liabilities of the Guarantor shall continue and be binding on the Guarantor, and as well after as before default and after as before maturity of the Mortgage, until the Liabilities are fully paid and satisfied.

4. Any account settled or stated by or between the Lender and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Lender and shall in that case be accepted by the Guarantor as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Lender.
5. The Guarantor will not at any time claim to be subrogated in any manner to the position of the Lender and will not claim the benefit of any security at any time held by the Lender.
6. The Lender shall not be bound to exhaust its recourses against the Borrower before requiring payment from the Guarantor and the Lender may enforce all available remedies and realize upon securities held or any part thereof in the order that it may determine.
7. Any change or changes in the name of the Borrower shall not affect or in any way limit or lessen the liability of the Guarantor hereunder.
8. Should the Lender receive from the Guarantor a payment or payments in full or on account of its liability under this guarantee, the Guarantor shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Lender's claims against the Borrower have been paid in full and in case of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory) or if the Borrower makes a bulk sale of any of its assets within the provisions of any Bulk Sales Act or any composition with creditors or scheme of arrangements, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full, and the Guarantor shall continue liable up to the amount guaranteed (less any payments made by the Guarantor) for any balance which may be owing to the Lender of any of its securities and/or the retention thereof by the Lender, such valuation and/or retention shall not, as between the Lender and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of the Borrower's liability to the Lender or any part thereof.
9. The Guarantor shall make payments to the Lender of the amount of the liability of the Guarantor hereunder forthwith after demand therefor made in writing, and such demand

shall be deemed to have been effectually made when an envelope containing it addressed to the Guarantor at the last address of any of the Guarantor known to the Lender is sent by registered mail and the liability of the Guarantor shall bear interest at the same rate.

- 10. This instrument is in addition to and is supplemental to security held or which may hereafter be held by the Lender.
- 11. No action or proceeding brought or instituted under this guarantee and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this guarantee by reason of any further default or defaults hereunder and/or in payment of the debts and liabilities of the Borrower referred to herein.
- 12. There are no representations, collateral agreements or conditions with respect to this instrument or affecting the liability of the Guarantor hereunder, other than as contained herein and no modification of this guarantee shall be effective unless the same be in writing and signed by the Guarantor and by the Lender.
- 13. All indebtedness and liability, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the repayment of the Mortgage and all monies received by the Guarantor in respect thereof shall be received in trust for the Lender, the whole without limiting or lessening the liabilities of the Guarantor under this guarantee and this assignment and postponement is independent of the said guarantee and shall remain in full effect until repayment in full to the Lender of the Mortgage notwithstanding that the liabilities of the Guarantor under the said guarantee may have been discharged or terminated, the Guarantor acknowledges the assignment to the Lender as set forth herein shall not impose upon the Lender any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.
- 14. The Guarantor's guarantee hereunder shall be on a joint and several basis with the Borrower and any other guarantor of the Liabilities not named herein, if any.
- 15. This Guarantee shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context. This Guarantee shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the parties hereto hereby attorn to the jurisdiction of the Province of Ontario.
- 16. The Guarantor acknowledges receipt of this Guarantee, the Commitment Letter, the Mortgage, the Standard Charge Terms and all other Loan Documents.

This Guarantee, together with all rights, entitlements, duties and obligations arising from the same, shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

WITNESS:)
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 _____) _____
 Name: (*print*))
 as to the signature of)