

GUARANTEE

TO: SCOTIA MORTGAGE CORPORATION
AND TO: THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") recommending to SCOTIA MORTGAGE CORPORATION (herein called "SMC") that it makes a loan(s) to

(herein called the "Customer"), and IN CONSIDERATION OF SMC making the said loan (herein called the "Loan") to the Customer, the undersigned and each of them, if more than one, hereby individually and collectively (that is jointly and severally) guarantees payment to SMC and the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to SMC or the Bank or remaining unpaid by the Customer to SMC or the Bank, whether arising from dealings between SMC or the Bank and the Customer or from other dealings or proceedings by which SMC or the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest (whether or not the rate at which interest is charged to the Customer is changed), commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

_____ dollars
with interest from the date of demand for payment at the rate set out in paragraph 5 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby individually and collectively (that is jointly and severally) agrees with SMC and the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.

2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to SMC or the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to SMC or the Bank.

3. Neither SMC nor the Bank shall be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces the benefit of discussion and division. Each of the undersigned may be compelled to pay the total amount of the guaranteed liabilities and renounces the benefit of division.

4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the sender thereof is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 5 hereof.

Insert
rate.

5. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be _____% per annum.

6. Upon default in payment of any sum owing by the Customer to either SMC or the Bank at any time, either or both of SMC and the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of an employee of SMC or of a Manager or Acting Manager of the branch of the Bank through which the Loan was made or is being administered acting on behalf of SMC as to the amount remaining unpaid to SMC at any time by the Customer, shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to SMC or the Bank at such time by the Customer.

7. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which SMC or the Bank may now or hereafter hold in respect of the guaranteed liabilities and neither SMC nor the Bank shall be under any obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which SMC or the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which SMC or the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of SMC or the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

8. Without prejudice to or in any way limiting or lessening the Guarantor's liability for the guaranteed liabilities (whether during an initial term or any extension or renewal) and without obtaining the consent of or giving notice to the Guarantor, SMC or the Bank may discontinue, reduce, increase or otherwise vary the guaranteed liabilities of the Customer, may change the rate at which interest is payable by the Customer and the dates and times at which payments are payable by the Customer for the guaranteed liabilities, may grant time, renewals, extensions, indulgences, releases and discharges with respect to the guaranteed liabilities and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as SMC or the Bank may see fit and SMC or the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as SMC or the Bank may see fit, and SMC and the Bank may apply all moneys received by either of them from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities, whether liabilities of the Customer to SMC or to the Bank, as SMC or the Bank may see fit and change any such application in whole or in part from time to time.

9. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by SMC or the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with SMC or the Bank or have any right to be subrogated to SMC or the Bank.

10. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, or by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or enterprise or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

11. All advances, renewals and credits made or granted by SMC or the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the person making the advance, renewal or credit, being SMC or the Bank as the case may be, has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from SMC or the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity or that the Customer's obligation to repay any such advance, renewal or credit is deemed to be extinguished, postponed or satisfied or is rendered unenforceable by any statute or rule of law or by any other reason other than actual repayment thereof, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not SMC or the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to SMC or the Bank on demand with interest at the rate set out in paragraph 5 hereof.

12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned jointly to SMC and the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for SMC and the Bank and forthwith upon receipt the Guarantor shall notify either SMC or the Bank of the fact of the receipt and the amount thereof, and shall forthwith pay over in accordance with the direction in writing of SMC or the Bank the whole thereof without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to SMC and the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. The undersigned or any of them, if more than one, or his or their executors, liquidators or administrators, by giving thirty days' notice in writing to SMC and the Bank at the branch of the Bank through which the Loan(s) was/were made or is/are being administered, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice SMC or the Bank may fulfil any requirements of the Customer based on agreements expressed or implied made prior to the expiration of such thirty days and any resulting liabilities shall be

covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that neither SMC nor the Bank shall be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by SMC or the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

15. If any provision of this Guarantee is determined to be void or unenforceable in whole or in part, it shall be deemed not to act or impair any other provision hereof.

16. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which is located the branch of the Bank through which the Loan(s) was/were made.

17. The undersigned has (have) required that this guarantee and related documents be drawn up in English. Le(s) soussigné(s) a(ont) exigé que ce cautionnement et les documents y afférents soient rédigés en anglais.

18. This guarantee shall not be discharged or affected by the death incapacity, or the cessation of special duties of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon SMC and the Bank, its successors and assigns, and the Guarantor, his heirs, executors, liquidators for succession purposes, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____,
this _____ day of _____.

SIGNED SEALED AND DELIVERED
in the presence of

SIGNATURE AND SEAL

N.B. - Signature of this Guarantee involves personal liability.

The Certificate and Statement on page 4 must be completed manually if the guarantor is an individual and the guarantee is taken in, or enforceable in, Alberta.

CONSENT

The Customer hereby authorizes the Bank and SMC to provide the Guarantor with any information respecting the Customer's financial affairs and the guaranteed liabilities which (i) the Guarantor may request from time to time, or (ii) the Bank or SMC, in their sole discretion, may deem necessary or desirable to provide from time to time.

Dated this _____ day of _____.

DATE RECEIVED
RECORDED.....
APPROVED.....
E.O. AUDITOR.....

CUSTOMER

CUSTOMER

**THE GUARANTEES ACKNOWLEDGMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

To be completed
when guarantor is
an individual and
the guarantee is
taken in, or
enforceable in
Alberta.

1. _____ of _____ the guarantor
in the guarantee dated _____ made between
and Scotia Mortgage Corporation

and The Bank of Nova Scotia, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the guarantee.

2. I satisfied myself by examination of him that he is aware of the contents of the guarantee and understands it.

GIVEN at

this _____ day of _____, under my hand and seal of office.

A Notary Public in and for

STATEMENT OF GUARANTOR

I am the person named in this certificate.

X _____
SIGNATURE OF GUARANTOR