

Loan Guarantee number: _____
Lender number: _____
For AANDC

GUARANTEE AGREEMENT

This **AGREEMENT** made this _____ day of _____, 20__.

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, as represented by
the Minister of Aboriginal Affairs and Northern Development Canada
(hereinafter called the "Minister")

PARTY OF THE FIRST PART

AND: _____
(hereinafter called the "Lender")

PARTY OF THE SECOND PART

WHEREAS _____ (hereinafter called "The Borrower") has
requested a housing loan made pursuant to the *National Housing Act* (hereinafter called "NHA") for loans
insured by Canada Mortgage and Housing Corporation (hereinafter called "CMHC") **or** not made pursuant
to the NHA for loans not insured by CMHC from the Lender, not to exceed the amount of _____
_____ dollars (\$)); and

WHEREAS _____ (hereinafter called "The Lender"), is CMHC or
other Lender approved by CMHC, pursuant to the NHA for the purpose of making loans and has
consented to make a loan not to exceed the amount of _____ dollars (\$))
to the Borrower, on the condition that the loan will be guaranteed by the Minister, and

WHEREAS the Borrower has certified in writing that the loan, if granted, will be for the
purpose of construction, acquisition or renovation of housing for "Indians" on "Lands" (both terms as
defined in Order in Council P.C. 1999-2000 dated November 4, 1999) and that the borrower will repay the
loan to the Lender in accordance with the terms of the Loan Agreement; and

WHEREAS _____ (hereinafter called "Council of the Band")
has by resolution dated _____, 20__, consented to the expenditure of the Band's
revenues or the transfer of such other security deemed acceptable y the Minister, for the purposes of
reimbursing the Consolidated Revenue Fund for any payments made to the Lender pursuant to this
guarantee; and

WHEREAS the Minister has consented to the application by the Borrower for the
aforementioned loan; and

THEREFORE, the parties hereby agree as follows:

1. In accordance with the Terms and Conditions for Ministerial Loan Guarantees as set out in Order in
Council P.C. 1999-2000, dated November 4, 1999, and as amended from time to time, the Minister
hereby guarantees the payment of principal and interest by the Borrower and any subsequent
renewal, refinancing, transfer, or assignment of the loan as set out in the Loan Agreement. Such
payments to be made as described in the Loan Agreement between the Lender and the Borrower to
be amortized for a period not to exceed twenty-five (25) years. The terms of the Loan Agreement
must be agreed to and the document signed by both the Lender and the Borrower within six (6)
months from the date of the project approval by the Minister. This guarantee shall apply in the event
of any default in the making of payments either before or after the interest adjustment date referred to
in the loan agreement.
2. In the event that the Minister receives a Notification of Loan Default (currently form DCI 2948678)
from the Lender within ninety (90) days of the Borrower being in default in making payments under
the terms of the Loan Agreement, the Minister, in conjunction with the Lender, shall cause every

reasonable effort to be made to have the Borrower make the payments required under the terms of the Loan Agreement. The Minister may, if he or she considers it desirable, make loan payments, including the arrears, to the Lender, and take any other steps which may be deemed appropriate in the circumstances. The Lender shall provide subsequent notice of loan default every thirty (30) days continuing from the period of the initial notification up to one hundred and twenty (120) days.

3. If the Borrower has not made all payments required under the terms of the Loan Agreement and arrangements satisfactory to the Lender cannot be made to have the loan brought to a current position within one hundred and twenty (120) days from the date on which the Lender gave the first notice referred to in Section 2 above, or for such other time as may be agreed upon by the Minister and the Lender, the Lender shall submit to the Minister a Claim to AANDC for Payment (currently form DCI 2946592) of the unpaid balance of principal and accrued interest, at the contract interest rate, due under the Loan Agreement, up to the date that the claim is paid by the Minister. Any reasonable charges incurred by the Lender in accordance with prudent lending practices to safeguard the interest of the Lender, such as insurance premiums against fire and other insured risks or hazards, hydro, water/sewer, inspection of management fee, property protection, property maintenance, property repairs and expenses, heating, are recoverable.
4. The Minister shall pay to the Lender the amount set out in the claim referred to in Section 3, or such other amount as the Minister may determine having reference to this section and Section 10 of Order in Council P.O. 1999-2000, dated November 4, 1999, within sixty (60) days from the receipt of the claim, or within such further period of time as may be agreed upon by the Minister and the Lender. The Minister may review the file to determine whether the Lender followed prudent lending practices, and the Minister may reduce the amount of the accrued interest or other reasonable costs included in the amount set out in the claim, if prudent lending practices have not been followed.
5. Where a claim by a Lender has been paid in accordance with section 4, the Lender shall give the Minister an absolute assignment of its rights under the Loan Agreement and under any judgment obtained by the Lender in respect of the loan, and its interest in any insurance policies issued under the terms of the Loan Agreement.
6. The Lender shall not be bound to exhaust its recourse against the Borrower, the Borrower's property, or other persons', or the securities the Lender may hold before being entitled to payment from the Minister under this guarantee, but shall be bound by prudent lending practices.
7. The Lender undertakes to provide the Minister with the following reports:
 - ✓ Guaranteed Loans Terms and Conditions Report (DCI 2948768), within sixty (60) days of the issuance of a new loan, or following the renewal, refinancing, transfer, assignment, or closing of an existing loan; and
 - ✓ Notification of Loan Default (DCI 2948678), in accordance with Section 2 above; and
 - ✓ Claim to AANDC for payment (DCI 2946592), of housing guarantee in accordance with Section 3 above; and
 - ✓ Yearly Status Reports of Guaranteed Loans, identifying the outstanding balance of principal and interest at March 31 of any given year.
8. Any notice or other communication required or desired to be given or made is to be in writing, and that notice is effective if delivered by registered mail, by electronic mail, by fax or in person to:

delivery address Regional Director General
or mailing address: Aboriginal Affairs and Northern Development Canada
Complexe Jacques-Cartier
320, St-Joseph Street East – Room 400
Québec (Québec) G1K 9J2

internet address: mariejosee.boucher@aadnc-aandc.gc.ca

fax number: 418 648-3144

IN WITNESS WHEREOF, this Guarantee Agreement has been executed and sealed in _____ copies by the Lender under its corporate seal affixed hereto by its duly authorized signing officer(s) and has been executed on behalf of Her Majesty the Queen if Right of Canada as represented by the Minister of Aboriginal Affairs and Northern Development Canada by the duly authorized signing officer of the Minister.

THE LENDER

**THE MINISTER OF ABORIGINAL AFFAIRS AND
NORTHERN DEVELOPMENT CANADA**

By: _____

By: _____

Regional Director General, Quebec Region

Title

Date : _____

Date : _____