

SHARE PLEDGE AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF SHAREHOLDER]

a corporation duly incorporated under the laws of the Province of Ontario
(the "Shareholder")

- and -

[NAME OF LENDER]

[address]
(the "Lender")

WHEREAS:

- A. The Shareholder is the legal and beneficial owner of ## [common/preference] shares in the capital of *[insert name of corporation]* (the "Company"), being all of the issued and outstanding shares in the capital of the Company
- B. The Lender agreed to loan funds to *[insert name of borrower]* (the "Borrower") pursuant to a loan agreement dated *[insert date of loan agreement]* between the Borrower and the Lender (such agreement as hereinafter amended or supplemented is hereinafter referred to as the "Loan Agreement");
- C. Pursuant to the Loan Agreement the Shareholder is required to enter into this Agreement.

NOW THEREFORE WITNESS that for valuable consideration (the receipt and sufficiency whereof is hereby acknowledged) the parties hereto agree as follows:

1. ASSIGNMENT AND TERMINATION

The Shareholder hereby delivers to the Lender and hereby mortgages, charges, assigns, hypothecates, pledges and grants to the Lender a security interest in ## [common/preference] shares in the capital of the Company owned by the Shareholder (collectively the "Pledged Shares") and all substitutions therefor and accretions thereto and proceeds thereof and all rights, interests and claims whatsoever of the Shareholder in respect of the same as general continuing collateral security for the payment and discharge and satisfaction in full of all present and future debts and liabilities of the Borrower to the Lender under the Loan Agreement or otherwise (the "Liabilities"). Upon repayment of all sums owed or owing under the Loan Agreement, this pledge and all rights of the Lender in the Pledged Shares shall automatically cease and terminate.

2. ALTERATION OF CAPITAL

In the event of any consolidation, subdivision, reclassification, stock dividend or similar increase, decrease or alteration of the capital of the Company, the term "Pledged Shares" shall be deemed to include any shares forming part of the capital of the Company which may result from such consolidation, subdivision, reclassification, stock dividend, increase, decrease or alteration. Without limiting the generality of the foregoing, the Shareholder will, forthwith upon receipt by the Shareholder, deliver to the Lender any share certificates issued in replacement for or in addition to the share certificates delivered herewith, endorsed in blank for transfer.