

Exhibit "B"



**CREDIT UNION CENTRAL OF ONTARIO**

2810 Matheson Blvd. East, Mississauga, Ontario L4W 4X7  
www.ontariocreditunions.com

June 7, 2007

**VIA E-MAIL**

UM Capital Inc.  
1200 Markham Road,  
Unit 123  
Toronto, Ontario  
M1H 3C3

Dear Sirs:

*Re: Credit Facility*

We are pleased to advise that the Credit Facility Provider's Credit Committee has approved the following credit facilities, subject to the satisfaction of the conditions and security documentation outlined below:

**1. FACILITY DETAILS**

- (A) **Credit Facility Utilizer:** UM Capital Inc. ("UMC")
- (B) **Credit Facility Provider:** Credit Union Central of Ontario Limited ("Central")
- (C) **Credit Facilities:** Central agrees to provide and UMC agrees to utilize the following credit facilities up to the aggregate amounts not exceeding the limits stipulated:

	<u>Facility</u>	<u>Authorized Amount</u>
Facility 1.	Demand Facility	<u>\$49,000,000</u>
	<b>TOTAL:</b>	<b>\$49,000,000</b>

(hereinafter referred to as the "Credit Facilities")

- (D) **Purpose:** To provide UMC with funds to finance residential mortgages (the “**Financed Mortgages**”) to be advanced to arm’s length parties (the “**Purchasers**”).
- (E) **Draw Down:** In tranches, upon completion of the security documentation required pursuant to Section 2 of this commitment letter and compliance with the conditions precedent to funding provided for in Section 3 of this commitment letter.
- (F) **Repayment:** In blended monthly payments of principal and the Charge Amount (as hereinafter defined) sufficient to repay each advance within the specified amortization period. The blended monthly payments of principal and Charge Amount due and owing pursuant to each advance shall be calculated based on the then prevailing Charge Amount for the chosen term at the time of each advance.
- (G) **Prepayment:**
- a. UMC may prepay on the yearly anniversary date an additional amount on account of principal up to fifteen percent (15%) of each Margined Mortgage Advance (as hereinafter defined) without notice, bonus or penalty. This right of prepayment is not cumulative such that if UMC does not use this privilege in a calendar year, UMC cannot carry forward this right of prepayment for that calendar year to any following calendar year. This right of prepayment shall not apply if UMC prepays the principal amount of a Margined Mortgage Advance in full, whether or not UMC has used this right of prepayment in the calendar year during which a Margined Mortgage Advance is prepaid in full.
  - b. UMC may prepay at any time, the whole of the principal amount then outstanding, upon payment of the greater of:
    - (i) three (3) months Charge Amount at the rate chargeable hereunder, upon the principal amount prepaid; or
    - (ii) the amount, if any, by which the Charge Amount at the rate chargeable under a Margined Mortgage Advance exceeds the Charge Amount at the prevailing rate as defined below calculated on the principal amount prepaid, for a term commencing on the date of prepayment and expiring on the balance due date of a Margined Mortgage Advance. The “prevailing rate” at the time of prepayment means the rate at which Central would then provide to UMC, for a term commencing on the date of prepaying and expiring on the balance due date of said Margined Mortgage Advance.

Provided that in the calculation of the principal amount prepaid under either subsection (i) or (ii) above, no reduction shall be made for any prepayments to which UMC was entitled under section 1(G)a. but which were not exercised by payment by UMC prior to a prepayment under section 1(G)b.

- (H) **Term:** Each advance processed under the Credit Facilities shall have a term of 1 to 5 years.
- (I) **Amortization:** Each advance processed under the Credit Facilities shall have an amortization period of no more than 25 years.
- (J) **Assignment & Participations:** Central may from time to time sell or assign its interests in the Credit Facilities in whole or in part to others. UMC shall co-operate with Central in effecting any such sale or assignment but shall not be liable for any costs associated with said sale or assignment.
- (K) **Charges:** “Charge Amounts” are monetary compensation payable to Central, at its posted residential mortgage rate, for advances of funds contemplated hereunder. UMC shall pay Central’s Charge Amount, at the rate set at the time of draw down for the chosen term, less sixty-five basis points (0.65%).
- (L) **Fees:** All costs and expenses in connection with the matters contemplated by this commitment letter are to be paid by UMC, including the payment of all reasonable legal fees and disbursements in respect of the Credit Facilities, the preparation, issue and registration of the Security Documents, the enforcement and preservation of Central’s rights and remedies, and all reasonable costs relating to the appraisals, insurance consultation, credit reporting and responding to demands of any government or any agency or department thereof.  
  
Notwithstanding anything contained herein, the parties acknowledge that UMC shall not be responsible for the payment of Central’s legal fees associated with the preparation, issue and registration of the General Security Agreement, the Master Mortgage Assignment Security Agreement, the Line of Credit Agreement and the Promissory Notes. UMC shall be responsible for the payment of its legal fees associated with the preparation, issue and registration of these documents.
- (M) **Sale/Transfer:** UMC shall not sell, transfer or encumber the Real Property without Central’s prior written consent. If UMC does so, then at Central’s option, UMC will immediately pay to Central all outstanding indebtedness under this commitment letter.

- (N) **Inspections:** UMC will permit Central and persons authorized by Central at all reasonable times to inspect the Real Property.

## 2. **SECURITY**

The present and future indebtedness and liability of UMC to Central shall be secured by the following security (the "**Security Documents**"), evidenced by documents in form satisfactory to Central and its legal counsel and registered or recorded as required by Central, to be provided prior to any advances or avail being made under the Credit Facilities:

- (A) General Security Agreement from UMC representing a first fixed and floating charge over all of its assets and undertakings.
- (B) Master Mortgage Assignment Security Agreement in the form required by Central and its solicitor.
- (C) Specific Assignment of each of UMC's mortgages registered against title to the properties acquired by the Purchasers (properties acquired by the Purchasers hereinafter individually referred to as a "**Property**" and collectively referred to as the "**Properties**").
- (D) Specific Assignment of any and all security deposits, being any prepaid amounts received from the Purchasers, which funds are to be held in trust for Central in an account at Alterna Savings & Credit Union Limited.
- (E) Line of Credit Agreement.
- (F) Promissory Notes evidencing each advance.
- (G) Directions to Purchasers re: Assignment of mortgages.
- (H) Postponement and Subordination of all shareholder's, non-arm's length creditor's and related party facilities, to include a postponement of the right to receive any payments of both principal and any charges under said Facilities.
- (I) Assignment of UMC's business interruption, commercial general liability and property insurance acknowledging Central as first loss payee.
- (J) Satisfactory legal and corporate opinions confirming the validity, priority and enforceability of the Security Documents.
- (K) Any other documentation necessary in the opinion of Central and its legal counsel, to complete the transactions contemplated herein.

### **3. CONDITIONS PRECEDENT TO FUNDING**

Those customarily found in Central's Security Documents and any additional conditions appropriate in the context of the proposed transaction, and in any event, to include without limitation, the following:

- (A) UMC has good and marketable title to the assets being pledged, subject only to the Permitted Encumbrances (as hereinafter defined).
- (B) Central having received all the Security Documents provided for in this commitment letter duly authorized, executed and delivered and registered or recorded whenever required by law.
- (C) UMC to establish and maintain membership with Alterna Savings & Credit Union Limited in good standing at all times while any portion of the Credit Facilities remain outstanding or committed.
- (D) Copies of UMC's Financing Policies and Procedures and standard form of Charge/Mortgage of Land, including the Schedule of Additional Provisions, both in form satisfactory to Central. UMC hereby undertakes and agrees not to make any material changes to the approved Financing Policies and Procedures and form of Charge/Mortgage of Land without Central's prior written consent.
- (E) Copies of the following documents are to be provided in support of each advance:
  - (1) Fully executed copy of the Purchaser's Agreement of Purchase and Sale;
  - (2) CRA appraisal of the Property addressed to Central;
  - (3) Charge/Mortgage of Land against the Property;
  - (4) Satisfactory solicitor's report issued by UMC's lawyer in form approved by Central;
  - (5) Satisfactory title insurance policy from First Canadian Title or Stewart Title noting Central as the insured party;
  - (6) Satisfactory insurance policy for the Property noting Central as first mortgagee;
  - (7) Clear execution certificate against the Purchaser; and
  - (8) Completed Representation and Warranty Checklist in the form attached hereto as Schedule II.
- (F) Receipt of satisfactory evidence that UMC has obtained all applicable permits/certificates and is in compliance with all relevant regulatory requirements.

- (G) UMC is not in default of any of the terms, conditions, covenants, representations, warranties or events of default contained herein.
- (H) The Representations and Warranties contained in Schedule I attached hereto continue to remain true and accurate and there has been no change in circumstance in connection with any of the Representations and Warranties made therein, as at the date of funding.
- (I) There shall not exist any judgement, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon the consummation of the transaction.
- (J) There shall not have occurred since the date hereof any material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of UMC.

#### **4. GENERAL CONDITIONS/COVENANTS**

Until all the amounts outstanding under the Credit Facilities have been discharged in full and the commitment to provide the Credit Facilities has been withdrawn by Central, the following conditions will apply in respect of the Credit Facilities:

- (A) UMC covenants to perform and observe all terms, conditions, representations and covenants attached hereto as Schedule I and contained in any of the agreements referred to in this commitment letter, as such agreements may be amended from time to time.
- (B) UMC is to provide Central with the following reports on a monthly basis within thirty (30) days of each month end date:
  - (1) in-house income statements and balance sheets;
  - (2) aged accounts receivable listings;
  - (3) particulars of any mortgages where payments are thirty (30) days or more in arrears; and
  - (4) particulars of any mortgages which are in default (for reasons other than non-payment) together with particulars of the event of default.
- (C) UMC to provide Central with its minimum review engagement report year end financial statements within one hundred and twenty (120) days of each fiscal year end date.
- (D) UMC covenants to provide annual confirmation that all taxes have been paid, on the real estate charged, within ninety (90) days of the calendar year end.
- (E) UMC covenants to provide confirmation by the 10th of each month that all its clients have been cross-referenced to the OSFI Terrorist List and none have been identified on same.

- (F) UMC to provide satisfactory evidence that source deductions, GST and PST have been paid on a quarterly basis.
- (G) UMC to provide Central with its CRA Notice of Assessment by April 30<sup>th</sup> of each year.

**5. SPECIAL CONDITIONS/COVENANTS**

- (A) Advances pursuant to the Credit Facilities shall be limited to 75% of the lesser of (the “**Margined Mortgage Advance**”):
  - (1) The original purchase price of the property being financed by UMC; or
  - (2) the CRA appraised value of the property being financed by UMC.
- (B) UMC undertakes not to incur any additional debt or pay any dividends or allow any capital withdrawals from the corporation without the prior written consent of Central, such consent not to be unreasonably withheld.
- (C) UMC acknowledges having reviewed and executed the Acknowledgement and Release attached hereto as Schedule III.
- (D) UMC acknowledges and agrees that the total funds advanced to UMC and UM Financial Inc. at any one time shall not exceed the Authorized Amount of \$49,000,000 as contained in Section I(C) herein, as such increased Authorized Amount as may be approved by Central from time to time.
- (E) Increases to the Authorized Amount of the Demand Facility shall be evidenced by way of additional Promissory Notes to be signed by UMC and/or UM Financial Inc.
- (F) Upon receipt of a written request from Central to do so, UMC or its designate shall accept reassignment of any and all defaulted mortgages (the “**Reassignment Option**”). If Central exercises the Reassignment Option, UMC or its designate shall, within ten (10) days of receipt of the aforementioned notice, repay to Central the then outstanding balance of the defaulted mortgage due and owing to Central, together with any applicable prepayment charge. The parties acknowledge that if the default is as a result of a Purchaser’s failure to remit payments to UMC, Central may, in its sole discretion, permit UMC to service the mortgage payments on behalf of that Purchaser, subject to receipt within ten (10) days of notification from Central, of an acknowledgement from the Purchaser confirming that any failure of UMC to notify the Purchaser that an event of default has occurred or to proceed to enforce its security shall not represent a waiver of said default (the “**Non-Waiver Acknowledgement**”). Any costs and expenses associated with a Reassignment Option or Non-Waiver Acknowledgement shall be paid by UMC.
- (G) The occurrence of an event of default under UM Financial Inc.’s credit facilities with Central constitutes a concurrent default hereunder and the occurrence of an event of default by UMC hereunder constitutes a concurrent default under UM Financial Inc.’s credit facilities with Central.

**6. PERMITTED ENCUMBRANCES**

The title to the Properties shall be subject only to property taxes not yet due and payable, utility easements and other similar rights which, in Central's opinion, will not, in the aggregate materially and adversely impair the marketability of the Properties or the use of the Properties for the purpose for which they are held and minor irregularities and defects in title approved by Central (the "Permitted Encumbrances").

**7. EVENTS OF DEFAULT**

The obligations of UMC hereunder shall become immediately payable if, without limitation, any one or more of the following events of default shall have occurred for any reason whatsoever:

- (A) if default shall be made in the due and punctual payment to Central of any principal or any payment of the Charge Amount therein and such default shall have continued for a period of four (4) days after a notice of such default from Central; or
- (B) if any representation, warranty or statement of fact of UMC customarily found in Central's Security Documents and annexed as Schedule I and any additional representations and warranties appropriate in the context of the proposed transaction, shall prove to have been untrue or incorrect in any material respect on the date of which it was made and such default shall have continued for a period of seven (7) days after notice of such default from Central; or
- (C) if UMC shall default in the performance or observance of any covenant in this commitment letter or in any other agreement, instrument or document delivered by UMC pursuant hereto or in connection herewith and such default shall have continued for a period of seven (7) days after notice from Central; or
- (D) if UMC shall:
  - (1) admit its inability to pay its debts generally as they become due or not pay its debts generally as they become due;
  - (2) file an assignment or a petition in bankruptcy, as the case may be, or a petition to take advantage of any insolvency statutes;
  - (3) make an assignment for the benefit of or make a proposal to its creditors;



- (4) consent to the appointment of a receiver of the whole or any substantial part of its assets; and
  - (5) have been adjudged by a court having jurisdiction, a bankrupt or insolvent, or a decree or order of a court having jurisdiction shall have been entered for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy and such decree or order shall remain in force undischarged or unstayed for a period of fifteen (15) days.
- (E) if any adverse change occurs in the environmental condition of any of the Properties.

**8. REMEDIES**

After an event of default has occurred as provided for above, the Security Documents shall become immediately enforceable and Central shall have the rights, powers and remedies set forth in the Security Documents. Central shall have, in addition to the rights, powers and remedies given them by this commitment letter or any other agreement, instrument or document delivered by UMC pursuant hereto or in connection herewith and the security, all those rights, powers and remedies allowed by applicable laws.

Central is authorized (but not obligated), at any time without notice, to apply the credit balance (whether or not then due) to which UMC is then beneficially entitled on any amount in or towards the satisfaction of the obligation and liabilities of UMC due to Central under this commitment letter or the Facility agreements.

**9. NO MERGER**

It is understood and agreed that the execution and delivery of the Security Documents shall in no way merge or extinguish this commitment letter or the terms or conditions hereof which shall continue in full force and effect while any or all of the Security Documents remain outstanding. In the event of any inconsistency or conflict between any provision or provisions of this commitment letter and the provision or provisions of the Security Documents or any other documentation, such provision or provisions of the commitment letter shall prevail. A provision or provisions contained in the Security Documents which is not contained in the commitment letter shall not be considered to be inconsistent or in conflict with the commitment letter.

**10. NON-ASSIGNMENT**

This commitment letter is not assignable by UMC without Central's prior written consent which can be unreasonably withheld.

**11. SEVERABILITY**

If any provision of this commitment letter is held to any extent invalid or unenforceable, the remainder of this commitment letter, other than the provision which is held invalid or unenforceable, shall not be affected.

**12. WAIVER**

Any waiver by Central of any default by UMC or any omission on Central's part in respect of any default by UMC shall not extend to or be taken in any manner whatever to affect any subsequent default by UMC or the rights resulting therefrom. Failure by Central to require performance of any term, covenant or condition contained herein or in any of the Security Documents shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained herein or in any of the Security Documents. Failure by Central to exercise any of their rights, powers or remedies hereunder or their delay to do so shall not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy shall not prevent its subsequent exercise or the exercise of any other right, power or remedy. Central may waive any condition precedent to funding but the waiver shall not prejudice any subsequent enforcement of the condition.

**13. CREDIT REPORTING**

UMC consents to Central obtaining from any credit reporting agency or from any person such information as Central may require at any time, and consents to the disclosure at any time of any information concerning UMC to any credit grantor with whom UMC has financial relations or to any direct reporting agency.

**14. TIME OF ESSENCE**

In all respects time shall be and remain of the essence.

**15. COUNTERPARTS**

This commitment letter may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

**16. EXPIRY**

This commitment letter will expire on June 30, 2007 and after that date Central is not obligated to advance funds under this commitment letter.

**17. GOVERNING LAWS**

This commitment letter shall be governed by and construct in accordance with the laws of the Province of Ontario.

If UMC wishes to proceed with this commitment letter, please indicate your acceptance by signing in the designated area and returning the original commitment letter to the attention of the undersigned on or before June 14, 2007 otherwise this offer shall expire and be of no further force or effect. This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed except to members of the Board of Directors, Advisors, Employees, Counsel and Accountants of UMC who are involved in consideration of this matter or as may be compelled to be disclosed in a judicial or administrative proceeding or as otherwise required by law.

Yours truly,

**CREDIT UNION CENTRAL OF ONTARIO  
LIMITED**

Per:  \_\_\_\_\_

Name: **Suzanne Fisher**  
Title: **Manager, Credit Adjudication  
and Lending Operations**

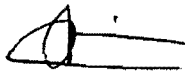
Per:  \_\_\_\_\_

Name: **Stephen Ellis**  
Title: **Vice President, Treasury and Lending**

I/we have the authority to bind the Corporation.

We hereby accept this commitment letter on this 13<sup>th</sup> day of JUNE, 2007.

**UM CAPITAL INC.**

Per: 

Name: OMAR KACAIR

Title: PRESIDENT

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the Corporation.

## SCHEDULE I

### REPRESENTATIONS AND WARRANTIES

UMC represents and warrants, acknowledging that Central has relied on each such representation and warranty in entering into this commitment letter, that:

- (A) **Organization and Qualification.** UMC is a corporation duly incorporated or amalgamated and organized, validly existing and in good standing under its jurisdiction of incorporation and is duly qualified to carry on its business under the laws applicable to it in each jurisdiction where it carries on business. No authorization, consent, approval, licence or exemption under any law applicable to foreign corporations is required by UMC to enter into and perform its obligations under the Facility or Security Documents.
- (B) **Licensed to Deal in Mortgages.** UMC is duly licensed to deal in mortgages in the Province of Ontario and its license is in good standing.
- (C) **Corporate Power.** UMC has full corporate right, power and authority to enter into and perform its obligations under each of the Facility documents to which it is or will be a party and has full corporate power and authority to own and operate its assets and to carry on its business as now conducted and as presently proposed to be conducted.
- (D) **Conflict with Other Instruments.** Neither the execution and delivery by UMC of any of the Security Documents nor the performance by UMC of its obligations thereunder, nor compliance with the terms, conditions and provisions thereof will:
  - (1) conflict with or result in a breach of any of the terms, conditions or provisions of:
    - (a) the charter documents or by-laws of UMC,
    - (b) any law, rule or regulation having the force of law,
    - (c) any contractual restriction binding on or affecting UMC or its assets, or
    - (d) any judgement, injunction, determination or award which is binding on UMC; or
    - (e) result in, or require or permit:
      - (i) the imposition of any security interest in or with respect to the assets now owned or hereafter acquired by UMC, or
      - (ii) the acceleration of the maturity of any debt of UMC, under any contractual provision binding on or affecting UMC,
      - (iii) any third party to terminate or acquire rights under any contract.

- (E) **Authorization, Governmental Approvals, etc.** The execution and delivery of each of the Security Documents by UMC and the performance by UMC of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization, consent, approval, licence or exemption under any applicable law, rule or regulation having the force of law, and no registration, qualification, designation, declaration or filing with any official body, is or was necessary therefor or to perfect the same, except as are in full force and effect, unamended, at the date hereof.
- (F) **Execution and Binding Obligation.** The commitment letter has been duly executed and delivered by UMC, and the commitment letter constitutes, and the other Security Documents when duly executed by UMC pursuant to and in accordance with this commitment letter and delivered for value will constitute, legal, valid and binding obligations of UMC enforceable against it in accordance with their respective terms, subject only to:
- (1) the effect of any applicable bankruptcy (other than fraudulent preference provisions) insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally;
  - (2) the discretion that a court of competent jurisdiction may exercise in granting of equitable remedies; and
  - (3) any legal limitation on the effectiveness of terms exculpating a party from a liability or duty otherwise owed by them to another party.
- (G) **No Default.** UMC is not in violation of its charter documents or by-laws.
- (H) **No Violation of Agreements.** UMC is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it may be bound.
- (I) **Ownership of Property.** UMC owns its property and assets with a good and marketable title thereto, free and clear of all liens, mortgages, charges, security interests, adverse claims and other encumbrances.
- (J) **Consents.** No consent, approval, order, authorization or designation of any governmental authority is required in connection with the execution, delivery and performance by UMC of this commitment letter or any of the Security Documents.
- (K) **Environment.**
- (1) UMC has no knowledge of any claim, have not received any notice of any claim, nor has any proceeding been instituted raising any claim, against UMC or the Properties, alleging any damage to the environment or violation of any other federal, provincial or municipal laws, by-laws, regulations, directives and/or guidelines relating in any way to the protection of the environment (collectively, the "**Environmental Laws**");

- (2) UMC has no knowledge of any facts which would give rise to any claim, public or private, of violation of the Environmental Laws by UMC or any of the Purchasers, or violation of the Environmental Laws or damage to the environment emanating from, occurring on or in any way related to the Properties or their use; and
  - (3) UMC conducts its businesses and maintains its assets in compliance with all applicable Environmental Laws and no enforcement action in respect of UMC's business or assets is threatened or pending.
- (L) **Trademarks, Patents, etc.** UMC possesses all the trademarks, trade names, copyrights, patents, licenses, or rights in any thereof, adequate for the conduct of its business as now conducted and presently proposed to be conducted, without material conflict with the rights or claimed rights of others.
- (M) **Permits, etc.** UMC possesses all material licenses, approvals and consents of federal, provincial and municipal governments and regulatory authorities as required to properly conduct its business except to the extent that the failure to obtain any such rights, licenses, approvals or consents would not have a material adverse effect on the business or condition, financial or otherwise, of UMC, as the case may be.

UMC shall indemnify and save harmless Central from and against all liabilities, claims, damages, losses and expenses including professional and consultants' fees incurred or suffered by Central arising in any manner whatsoever out of the breach of any warranty or the inaccuracy of any representation of UMC contained in or referred to in this commitment letter.

**SCHEDULE II**

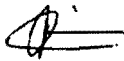
**REPRESENTATION AND WARRANTY CHECKLIST**

As of the date hereof, UM Capital Inc. (the "Facility Utilizer") represents and warrants to Credit Union Central of Ontario Limited ("Central"), acknowledging that Central is relying upon the truth and accuracy of each such representation and warranty in advancing funds to UMC, the following:

1. Each and every mortgage to be assigned to Central as security for the due repayment of advances made under the Credit Facilities:
  - a) Complies with UMC's Credit and Collection Policies, as approved by Central;
  - b) Is accompanied by all necessary Certificate(s) of Independent Legal Advice and guarantees as required;
  - c) Is not in default and has not been in default at any time in the past twelve (12) months;
  - d) Constitutes a valid and enforceable first charge in favour of UMC;
  - e) Provides for payments of principal on at least a monthly basis;
  - f) Contains all standard terms and conditions generally contained in residential first mortgages and contains no restrictions on the assignability by UMC;
  - g) Has been registered or recorded in the appropriate land titles or land registry office;
  - h) Is a closed mortgage with a term of not greater than five (5) years;
  - i) Is accompanied by a satisfactory Central's Policy of Title Insurance, noting Central as the Named Insured, and providing coverage at least equal to the amount advanced by Central to UMC on the faith of the assignment of the mortgage;
  - j) Is supported by all appropriate title and off-title searches required to confirm its ranking as a first mortgage at the time of registration; and
  - k) Has not been modified, postponed, released nor subordinated in any way.
  
2. UMC obtained each mortgagor's consent to UMC collecting, using and distributing his/her personal information for all of the purposes naturally arising from UMC's duty to prudently administer the mortgage in compliance with the *Personal Protection and Electronics Documents Act (Canada)*.
  
3. All terms not otherwise defined herein shall have the meaning ascribed to them in the June 7, 2007 commitment letter between UMC and Central.

Dated this 13<sup>th</sup> day of JUNE, 2007.

**UM CAPITAL INC.**

Per:   
Name: OMAR. KALAIR  
Title: PRESIDENT

I have the authority to bind the Corporation.



### SCHEDULE III

#### ACKNOWLEDGEMENT, RELEASE AND INDEMNITY

TO: CREDIT UNION CENTRAL OF ONTARIO LIMITED

RE: Credit Union Central of Ontario Limited ("**Central**") Facility to UM Capital Inc. (the "**Facility Utilizer**")

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WHEREAS Central and UMC have entered into the Commitment Letter to which this Acknowledgement, Release and Indemnity is attached, wherein UMC requested, and Central agreed, to provide UMC the Credit Facilities referred to therein;

AND WHEREAS the purpose of the Credit Facilities, being the Demand Facility, is to provide UMC with funds to finance residential mortgages to be advanced to arm's length parties;

AND WHEREAS at the request of UMC, Central has agreed to provide assistance to UMC in the establishment and preparation of, inter alia, policies and procedures in connection with the financing activities to be undertaken by UMC;

AND WHEREAS UMC has agreed to execute this Acknowledgement, Release and Indemnity in favour of Central;

IN CONSIDERATION OF Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Central, UMC agrees as following:

Notwithstanding that Central has, and may in the future, assist UMC in providing assistance in establishing and preparing, inter alia, policies and procedures (collectively, the "**Procedures**") to facilitate providing funds to third party purchasers to acquire residential properties (collectively, the "**Third Party Facilities**"), and may also review and comment on security and other associated and related documentation (collectively, the "**Documents**") prepared by UMC to facilitate the Third Party Facilities (collectively, the "**Assistance**"), UMC acknowledges that it has not, and will not, place any reliance on any of the Assistance provided by Central to UMC, and that they have, and will, retain the services of those professionals and advisors as they deem appropriate and necessary, including without limitation, lawyers, accountants, tax advisors, appraisers, financing experts and others, to satisfy themselves as to the accuracy, comprehensiveness, and completeness of their Procedures and Documents that they deem necessary to facilitate the Third Party Facilities in accordance with UMC's obligations under the Commitment Letter.

UMC acknowledges that it has, and will, do all things necessary to satisfy itself that all of their Procedures, Documents, and business practices that relate to the establishment and issuance of the Third Party Facilities comply with all applicable laws.

UMC hereby remises, releases and forever discharges Central of and from, and indemnifies Central against, all manner of action, causes of actions, suits, debts, dues, covenants, accounts, contracts,

rights, damages, judgments, costs, expenses and compensation, claims and demands whatsoever, whether at law or in equity, including any subrogated claims and demands and any claims and demands arising by way of indemnity, contribution or other relief over, against Central, that UMC ever had, now has or which UMC hereafter can, shall or may have, for or by reason of or arising from any matter, thing or claim arising or connected in any way with the Assistance. UMC agrees not to make any claim or take any proceedings (expressly including any cross-claim, counterclaim, third party action or application) against any other person, corporation, association, partnership or any other entity who might claim contribution, indemnity or other relief over from Central with respect to any of the causes, matters or things referred to above.

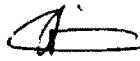
UMC acknowledges and confirms that it has sought independent legal advice in connection with the execution and delivery of this Acknowledgement, Release and Indemnity, and understands and appreciates the nature and consequences of the matters and obligations referred to herein.

This Acknowledgement, Release and Indemnity shall be binding upon UMC, its officers, directors, servants, agents, subrogees, agents, trustees, successors and assigns and shall enure to Central's benefit and to the benefit of its respective officers, directors, servants, agents, subrogees, predecessors, trustees, successors and assigns.

The laws of the Province of Ontario shall govern this Acknowledgement, Release and Indemnity.

Dated at the Toronto this 13<sup>th</sup> day of JUNE, 2007.

**UM CAPITAL INC.**

Per:   
Name: OMAR KALAIR  
Title: PRESIDENT

I have the authority to bind the Corporation.

ACKNOWLEDGEMENT OF SOLICITOR

I have been consulted by UM Capital Inc. (the "Facility Utilizer") independently of all other interests of Credit Union Central of Ontario Limited, for whom I do not act, in regard to the execution and delivery of the Acknowledgement, Release and Indemnity to which this Acknowledgement of Solicitor is attached. Before executing the Acknowledgement, Release and Indemnity, I considered and explained to UMC the effect of the Acknowledgement, Release and Indemnity, and it understood and appreciated the matters and obligations impose upon it and the rights and remedies conferred upon Credit Union Central of Ontario Limited.

Yours truly,

LAW FIRM: CHEHAB & KHAN

Per:

Name: TALAL CHEHAB