AGENCY AGREEMENT

February 15, 2008

Urbanfund Corp.
440 Adelaide Street West
Toronto, ON M5V 1S7

Attention: Mitchell Cohen, President and Chief Executive Officer

Dear Sir:

The undersigned, Blackmont Capital Inc., as lead agent, and M Partners Inc. (collectively, the **"Agents"**) understand that Urbanfund Corp. (the "**Company**") proposes to issue and sell up to 33,333,334 common shares of the Company (individually an **"Offered Share"** and, collectively, the **"Offered Shares"**) subject to the terms and conditions set out below.

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act and upon acceptance hereof the Company hereby appoints the Agents, as the Company's exclusive agents to offer for sale by way of private placement on a fully marketed "best efforts" agency basis, without underwriter liability, up to 33,333,334 Offered Shares at a price of $0.30 per Offered Share (the **"Issue Price"**) for aggregate gross proceeds to the Company of up to $10,000,000.20 (the **"Offering"**).

The Company agrees that the Agents will be permitted to appoint other registered dealers (or other dealers duly licensed or registered in their respective jurisdictions) as their agents to assist in the Offering and that the Agents may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agents.

In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall pay to the Agents' their expenses and the Agency Fee (as defined herein) in accordance with paragraph 8 and paragraph 12 of this Agreement, respectively.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

"l306227" means 1306227 Ontario Inc., a wholly-owned subsidiary of the Company;

"Acquired Properties" means the properties that are the subject matter of the Proposed Acquisitions;

"Acquisition Agreements" collectively, means the option to purchase agreement dated February 20, 2007 and the draft amendment and extension agreement to be executed by and between the Company and Westdale for the purchase of the North Front Centre and the Wonderland Plaza;

"Agency Fee" has the meaning ascribed to such term in paragraph 12;

“Agents” shall have the meaning ascribed thereto on the first page of this Agreement;

“Agreement” means the agreement resulting from the acceptance by the Company of the offer made by the Agents hereby;

“Blackmont” means Blackmont Capital Inc.;

“**Business**” means, as the context requires, the assets held and the businesses carried on, directly or indirectly, by the Company, including all entities and properties in which the Company has a direct or indirect economic interest, including all Contracts and related agreements and liabilities;

“Business Day” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario, as applicable;

“Canadian Securities Laws” means all applicable securities laws in each of the Selling Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such provinces and all rules and policies of the Exchange;

“Contracts” means any contract, agreement, licence, arrangement, understanding or other right or obligation, whether related to the Proposed Acquisitions or otherwise;

“Claims” has the meaning ascribed thereto in paragraph 10;

“Closing” means the closing on the Closing Date of the transaction of purchase and sale in respect of the Common Shares as contemplated by this Agreement and the Subscription Agreements;

“Closing Date” means February 15, 2008 or such other date as the Agents and the Company shall agree;

“Closing Time” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agents may agree;

“Common Shares” means the common shares in the capital of the Company;

“Company’s Auditors” means DMCT LLP, Chartered Accountants, or such other firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

“**Company’s knowledge**” means to the best of the knowledge of members of the Company’s Board of Directors or senior management team after due inquiry;

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

"**Directors**" means the directors of the Company;

"**Don Mills/Van Horne Property**" means the 84 suite townhouse complex located at 3080-3090, 3094 Don Mills Road and 200 Van Horne Avenue in Toronto, Ontario;

"Engagement" has the meaning ascribed thereto in paragraph 10;

"**Environmental Laws**" means has the meaning ascribed thereto in paragraph 4(a)(xxxii);

"Exchange" means the TSX Venture Exchange;

"**Financial Statements**" has the meaning ascribed thereto in paragraph 4(a)(iii);

"**First Preferred Share**" means a series A first preferred share in the capital of the Company;

"**Governmental Body**" means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above;

"**including**" means including without limitation;

"Indemnified Party" and **"Indemnified Parties"** has the meaning ascribed to such terms in paragraph 10;

"**Initial Properties**" means collectively, the Don Mills/Van Horne Property and the Richmond Property;

"**Issue Price**" shall have the meaning ascribed thereto on the first page of this Agreement;

"**Law**" means any and all laws, including all federal, provincial and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, and all published orders, directives, decisions, rulings of any Governmental Body, binding on or affecting the person referred to in the context in which the term is used;

"Losses" has the meaning ascribed thereto in paragraph 10;

"Material Adverse Effect" has the meaning ascribed thereto in paragraph 4(a)(i);

"**Material Agreement**" means any material Debt Instrument, indenture, Contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company or its subsidiaries are a party;

"misrepresentation", "material fact", "material change", "affiliate", "associate", and **"distribution"** have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**North Front Centre**" means the retail property located at 305 North Front Centre in Belleville, Ontario;

"**Offering**" shall have the meaning ascribed thereto on the first page of this Agreement;

"person" means any individual, corporation, partnership, joint venture, association, trust or other legal entity;

"Proposed Acquisitions" means the proposed acquisition of the North Front Centre and the Wonderland Plaza by the Company to be completed pursuant to the Acquisition Agreements;

"Purchasers" means the persons (which may include the Agents) who, as purchasers or beneficial purchasers acquire Offered Shares by duly completing, executing and delivering Subscription Agreements and any other required documentation and paying the Issue Price therefor and permitted assignees or transferees of such persons from time to time;

"Release" means any discharge, including any emission, release, deposit, issuance, spray, escape, spill or leak;

"**Richmond Property**" means the 528 residential unit re-development project located at 798 **–** 800 Richmond Street W in Toronto, Ontario;

"Selling Jurisdictions" means British Columbia, Alberta and Ontario;

"Securities Regulators" means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"Subscription Agreement" means the subscription agreement in the form agreed upon by the Agents and the Company, pursuant to which Purchasers agree to subscribe for and purchase the Offered Shares herein contemplated and shall include, for greater certainty, all schedules thereto;

"subsidiary" and "**subsidiaries**" shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario);

"**Taxes**" means (i) all taxes, levies, duties, assessments, reassessments and other charges of any nature whatsoever, whether direct or indirect, imposed by any authority, domestic or foreign, including, without limitation, income tax, profits tax, gross receipts tax, corporations tax, sales and use tax, wage tax, payroll tax, worker's compensation levy, deductions at source, capital tax, occupation tax, stamp duty, real and personal property tax, transfer tax, customs or excise duty, excise tax, turnover or value added tax, goods and services tax, *ad valorem tax*, license, lease, severance, franchise tax, customs duties, employment tax, school tax, property tax, withholding tax, social security and employment insurance charges or retirement contributions, Canada Pension Plan and provincial pension plan contributions, and any interest, fines, additions to tax and penalties thereon; and (ii) any liability for the payment of any amounts of the type described in clause (ii) above as a result of any express or implied obligation to indemnify any other Person or as a result of any obligations under any agreements or arrangements with any other Person with respect to such amounts;

"Transfer Agent" means Computershare Trust Company of Canada;

"**Westdale**" means Westdale Construction Co. Limited; and

"**Wonderland Plaza**" means the retail property located at 476 – 480 Wonderland Plaza Road South in London, Ontario.

TERMS AND CONDITIONS

1. (a) Sale on Exempt Basis. The Agents will offer and sell the Offered Shares to the public only in those jurisdictions where they may lawfully be offered for sale or sold and only at the price per Offered Share contemplated herein. The Agents will comply with applicable laws in connection with the offer to sell, or distribution of, the Offered Shares. The Agents will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares so as to: (i) require registration of the Offered Shares or a filing of a prospectus or registration statement with respect to the Offered Shares under the laws of any Selling Jurisdictions; (ii) obligate the Company to take any action to qualify any of its securities; (iii) obligate the Company to establish or maintain any office or director or officer in such jurisdiction; (iv) subject the Company to any reporting or other requirement in such jurisdiction except for reports that may be required to be filed in connection with the Offering; or (v) require the Company to execute a general consent to services of process or register to do business in such jurisdiction. Each Agent will use its best efforts to cause similar undertakings to be contained in any agreement among any members of the banking, selling or other group formed for the distribution of the Offered Shares and will require any member of the banking, selling or other group formed for the distribution of the Offered Shares to comply with applicable laws, including securities laws, of any Selling Jurisdiction.

(b) Filings. The Company undertakes to file, or cause to be filed with the Securities Regulators, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Offered Shares respectively so that the distribution of the Offered Shares to the Purchasers may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum in Canada or the United States, and the Agents undertake to use their reasonable best efforts to cause Purchasers of Offered Shares to complete any forms required by Canadian Securities Laws or under other applicable securities laws. All fees payable in connection with such filings shall be at the expense of the Company.

(c) No Offering Memorandum. Neither the Company nor any of the Agents shall (i) provide to prospective purchasers any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Canadian Securities Laws or applicable securities laws of the United States or any state or territory thereof; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Shares, including causing the sale of the Offered Shares to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Shares whose attendees have been invited by general solicitation or advertising.

2. (a) Covenants of the Company. The Company hereby covenants to the Agents, the Purchasers and their respective permitted assigns and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Shares, that the Company shall:

(i) for a period of two years after the Closing Date, use its commercially reasonable efforts to remain a reporting issuer under Canadian Securities Laws in the provinces of Ontario, British Columbia and Alberta not in default of any requirement of such Canadian Securities Laws. For greater certainty, it will not be considered reasonable to maintain such status if to do so would hinder or impede, in any way, any effort on the part of the Company, if it is determined by the board of directors of the Company to be in the best interests of the shareholders of the Company, to effect, or to take any steps in furtherance of, any amalgamation or business combination (whether by way of a merger, plan of arrangement, consolidation, share or other security exchange transaction, recapitalization, asset acquisition or other transaction) involving any one or more of itself or any of its subsidiaries or affiliates and completed in accordance with Canadian Securities Laws;

(ii) allow the Agents and their representatives the opportunity to conduct all due diligence which the Agents may reasonably require to be conducted prior to the Closing Date;

(iii) duly execute and deliver the Subscription Agreements at the Closing Time and shall comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

(iv) fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions applicable to the Company set out in paragraph 6;

(v) ensure that the Offered Shares shall, upon issuance, be duly issued as fully paid and non-assessable securities in the capital of the Company, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;

(vi) use its best efforts to ensure that the Offered Shares are listed and remain listed for trading on the Exchange;

(vii) in connection with the issuance of the Offered Shares, execute and file with the Securities Regulators all forms, notices and certificates required to be filed pursuant to the Canadian Securities Laws in the time required by the applicable Canadian Securities Laws, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Agents pursuant to paragraph 6 of this Agreement required to be filed by the Company with the Securities Regulators;

(viii) for a period of 120 days from the Closing Date, not directly or indirectly, sell, offer to sell, grant any option for the sale, or issue or announce any intention to do so, in a public offering or by way of private placement, any securities in the capital of the Company without the prior written consent of Blackmont, such consent not to be unreasonably withheld, except in conjunction with: (i) the Offering; (ii) the grant or exercise of stock options to or by employees, officers or directors of, or consultants to, the Company and other similar issuances pursuant to the existing share option plan of the Company and other existing share compensation arrangements of the Company as disclosed in schedule “B” hereto; (iii) the exercise of outstanding warrants, options or obligations as disclosed in schedule “B” hereto; or (iv) the conversion of the First Preferred Shares into Common Shares;

(ix) grant Blackmont a right of first refusal to be engaged as lead investment banker and sole bookrunner in respect of any and all future financings involving the Company for a period of 12 months from the Closing Date; and

(x) for a period of two years after the Closing Date the Company shall not take any action which would be reasonably expected to result in the delisting or suspension of its Common Shares on or from the Exchange or on or from any securities exchange, market or trading or quotation facility on which its Common Shares are then listed or quoted and the Company shall use its best efforts to comply with the rules and regulations thereof.

3. (a) Material Changes During Distribution. During the period from the date hereof to the completion of the distribution of the Offered Shares, the Company shall promptly notify the Agents (and, if requested by any of the Agents, confirm such notification in writing) of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company, taken as a whole.

During the period from the date hereof to the completion of the distribution of the Offered Shares, the Company shall promptly, and in any event, within any applicable time limitation, comply with all applicable filing and other requirements under Canadian Securities Laws as a result of such change. The Company shall in good faith discuss with the Agents any fact or change in circumstances (actual, anticipated, contemplated or threatened, and financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agents pursuant to this paragraph 3.

(b) Press Releases. During the period from the date hereof to the completion of the distribution of the Offered Shares, subject to applicable law (including the time limits imposed thereunder), the Company shall obtain prior approval of the Agents, such approval not to be unreasonably delayed, as to the content and form of any press release. In addition, until the Closing Time, any press release announcing or otherwise referring to this Offering shall include an appropriate legend on each page as follows: “Not for distribution to U.S. news wire services or dissemination in the United States.”

4. (a) Representations and Warranties of the Company. The Company hereby represents and warrants to the Agents and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in purchasing the Offered Shares, that:

(i) the Company has been duly continued and is validly existing under the laws of the Province of Ontario, has all requisite corporate power and authority and is duly qualified and possess all material certificates, authority, permits and licences issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such licences, authority, certificates or permits, except such modifications or amendments as are necessary for the conduct of their business) to carry on its business as now conducted and to own its properties and assets, except for those certificates, authority, permits and licenses which the failure to obtain would not, individually or in the aggregate, have a material adverse effect on the Business, results of operations or financial condition of the Company and its subsidiaries considered as a whole (a "**Material Adverse Effect**"), has all requisite corporate power and authority to carry out its obligations under this Agreement and the Subscription Agreements and at the time of closing of the Proposed Acquisitions shall have all requisite corporate power and authority to carry out its obligations under the Acquisition Agreements. The Company and 1306227 comprise all entities that own, directly or indirectly, any assets used in carrying on the business of the Company;

(ii) the Company has fully complied with all Canadian Securities Laws, the Offered Shares will at the time of issuance be free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and any and all approvals, authorizations or consents necessary to execute this Agreement and to enable the Company to perform its covenants hereunder and to offer, sell and issue the Offered Shares have been or will be duly obtained;

(iii) the audited consolidated financial statements of the Company as at and for the year ended December 31, 2006 and the unaudited consolidated financial statements of the Company as at and for the nine months ended September 30, 2007 (collectively, the **"Financial Statements"**) are true and correct and fairly and accurately reflect the financial position and condition of the Company in all material respects as of the respective date thereof and have been prepared in accordance with generally accepted accounting principles and no transaction out of the ordinary course of business which is of a nature material to the Company including any of the Company's subsidiaries, (individually a "**Subsidiary**" and collectively the "**Subsidiaries**") has been entered into and no material adverse change, financial or otherwise, in the business, including the assets, liabilities (contingent or otherwise), properties, operations or capital of the Company, has taken place since December 31, 2006;

(iv) all financial information delivered by the Company to the Agents in relation to the Company is true and accurate in all material respects;

(v) all financial information delivered by the Company (including the financial information relating to the Acquired Properties as delivered by the vendors thereof to the Company pursuant to the Acquisition Agreements or otherwise) to the Agents in relation to the Proposed Acquisitions, to the Company's knowledge, is true and accurate in all material requests;

(vi) the Company maintains or will maintain a system of internal controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; (v) material information relating to the Company is made known to those within the entity responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable Laws; and (vi) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect any of the Company's ability to disclose to the public information required to be disclosed by them in accordance with applicable Law;

(vii) 1306227 is the only subsidiary of the Company. 1306227 is wholly-owned by the Company and 1306227 is a valid and existing corporation duly incorporated or organized and in good standing under its applicable laws of incorporation or organization, having all requisite corporate power and authority to own, lease and operate its property and assets and to carry on business as presently carried on in each Jurisdiction in which it owns, leases and operates its property and assets or carries on its business activities, except where the failure to do so would not have a Material Adverse Effect;

(viii) neither the Company nor 1306227 has any contingent liabilities out of the ordinary course of business which would or are likely to have a Material Adverse Effect;

(ix) there is not, in the constating documents, articles or resolutions of the Directors, in any agreement, mortgage, note, or other instrument, document, order or ruling to which the Company is a party, or by which the Company is bound or in any agreement, mortgage, note or other instrument to be assumed by the Company upon completion of the Proposed Acquisitions, any restriction on or impediment to any action taken or to be taken by the Company pursuant to or in connection with this Agreement, the Subscription Agreements or relating to the sale of the Offered Shares contemplated by the Offering;

(x) the Company has complied with all Canadian Securities Laws, including any and all requirements of the Exchange, in connection with the Offering. The Company has received all required approvals of the Directors in respect of the Offering and no further approval or consent is required from the Directors or any third party that will not be completed by the Time of Closing;

(xi) the Company has received all required approvals of the shareholders of the Company in respect of the Proposed Acquisitions and, by the relevant Time of Closing of the Proposed Acquisitions, shall have received all required approvals of the Directors and the Exchange and no further approval or consent is required from the Directors or any third party that will not be completed by the relevant Time of Closing for any of the Proposed Acquisitions in order for the Company to complete the Proposed Acquisitions;

(xii) as at the date hereof and immediately prior to completion of the Offering, the authorized capital of the Company consists of an unlimited number of Common

Shares, an unlimited number of first preferred shares, issuable is series, 20,000,000 First Preferred Shares and an unlimited number of second preferred shares, issuable in series, of which 10,200,000 Common Shares and 11,000,000 First Preferred Shares are issued and outstanding;

(xiii) the Company has all requisite power, authority and capacity to execute and deliver this Agreement and the Subscription Agreements and at the time of closing of the Proposed Acquisitions shall have all requisite corporate power, authority and capacity to execute and deliver the Acquisition Agreements and any other document or instrument to be executed and delivered by the Company in connection herewith and to allot, offer, issue and deliver the Offered Shares, and such actions do not and will not conflict with or result in a breach of or constitute a default under or result in a violation of, whether after notice or lapse of time or both: (i) the constating documents, articles or resolutions of the Directors, which are in effect at the date hereof; (ii) any indenture or other agreement or instrument to which the Company is a party or by which it is bound or any agreement, mortgage, note or other instrument to be assumed by the Company upon completion of the Proposed Acquisitions; (iii) any order, decree, statute, by-law, regulation, covenant or restriction applicable to the Company or any of its assets, including Canadian Securities Laws; and (iv) any laws of the Selling Jurisdictions or the federal laws of Canada applicable therein, nor will the completion of the Offering accelerate any commitment or obligation of the Company;

(xiv) the Company is not aware of any legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any government authority with which the Company will be unable to comply and which would reasonably be expected to have a Material Adverse Effect;

(xv) there are no actions, suits, proceedings or inquiries pending or to the knowledge of the Company, threatened against or affecting the Company at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which would or is likely to have a Material Adverse Effect;

(xvi) no order suspending the sale or ceasing the trading of any of the securities of the Company or prohibiting the sale of the Common Shares by the Company or any of its Directors, officers or promoters has been issued by any regulatory authority in any of the Selling Jurisdictions and no investigations or proceedings for such purposes are pending or, to the knowledge of the Company, are contemplated or threatened by any regulatory authority;

(xvii) this Agreement and the Subscription Agreements and any other document or instrument to be executed and delivered by the Company in connection herewith and the issuance of the Offered Shares have been duly authorized by all necessary action on the part of the Company and each of them constitutes a valid obligation of the Company and is legally binding upon it and enforceable in accordance with its terms except that (i) the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (ii) equitable remedies, including, without limitation, specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction; and (iii) rights of indemnity, contribution and the waiver of contribution provided for herein may be limited under applicable law;

(xviii) at the time of closing of the Proposed Acquisitions, the Acquisition Agreements and any other document or instrument to be executed and delivered by the Company in connection with the Proposed Acquisitions shall have been duly authorized by all necessary action on the part of the Company and each of them shall constitute a valid obligation of the Company and shall be legally binding upon it and enforceable in accordance with its terms except that (i) the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (ii) equitable remedies, including, without limitation, specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction; and (iii) rights of indemnity, contribution and the waiver of contribution provided for herein may be limited under applicable law;

(xix) copies of all Contracts material to the Company and the Business, including the Acquisition Agreements, and all amendments thereto, have been delivered to the Agents and such Contracts are in good standing as at the date hereof and for greater certainty, the amendment and extension agreement in respect of the Proposed Acquisitions is in draft form as of the date hereof;

(xx) all press releases, material change reports, financial statements and other documents filed by or on behalf of the Company with the Exchange and the securities regulatory authority in each of the provinces where the Company is a reporting issuer were true and correct in all material respects as at the respective dates of such filings;

(xxi) to the Company's knowledge, Westdale maintains insurance on each of the Acquired Properties covering such hazards and for such amounts as would be commensurate with industry standards and the insured party thereunder is not in default with respect to any insurance policy and has not received any advice or notification that such insurance will be cancelled or will not be renewed;

(xxii) the Company has obtained and will maintain insurance policies as are appropriate and commensurate with industry standards and the insured party thereunder is not in default with respect to any insurance policy and has not received any advice or notification that such insurance will be cancelled or will not be renewed;

(xxiii) neither the Initial Properties and to the knowledge of the Company, after due inquiry, the Acquired Properties has a unionized workforce;

(xxiv) neither the Company nor to the Company's knowledge, Westdale, is aware of any current attempts to organize or establish any other labour union, employee association or other similar entity with respect to the Initial Properties or Acquired Properties that are non-unionized;

(xxv) the Company is not a party to or bound by any agreement of guarantee, indemnification, assumption or other like commitment or endorsement regarding the obligations, indebtedness or liabilities (whether contingent or otherwise) of any person, firm or corporation, other than guarantees and indemnities relating to financing mortgage loans obtained, or to be obtained, by the Company with respect to the Business or the Proposed Acquisitions;

(xxvi) the Company is not presently in material default in the performance of any covenant or obligation contained in any indenture or other agreement which creates, evidences or secures the indebtedness of the Company in respect of the Initial Properties, or otherwise;

(xxvii) to the Company's knowledge, Westdale is not presently in material default in the performance of any covenant or obligation contained in any indenture or other agreement which creates, evidences or secures the indebtedness of Westdale in respect of the Acquired Properties;

(xxviii) the minute books of the Company and 1306277 contain true and correct copies of the constating documents of the Company and 1306277, as applicable, and contain the minutes of all meetings and all the resolutions of the directors and shareholders thereof, as the case may be;

(xxix) other than as provided for in this Agreement, or otherwise disclosed to the Agents in writing, the Company has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;

(xxx) all necessary third party consents (other than approval of the Directors) including, without limitation, those consents to the transfer of the ownership of the Acquired Properties to the Company, and approvals have been obtained by the Company in relation to the Proposed Acquisitions, except as otherwise disclosed in writing to the Agents and except for any consents or approvals that if not obtained would not have a Material Adverse Effect and the consummation of the transactions contemplated by this Agreement and the Acquisition Agreements;

(xxxi) there are no outstanding orders or directions of any ministry, department or administrative or regulatory agency relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Business, including the Initial Properties, or to the Company's knowledge, after due inquiry, the Acquired Properties;

(xxxii) the Company has made available to the Agents for their review, true and complete copies of any and all appraisals, environmental reports, audits, evaluations, assessments, studies or tests relating to the Business and the Company, which have been requested by the Agents, including, without limitation, those relating to the North Front Centre and the Wonderland Plaza;

(xxxiii) the draft appraisals dated February 13, 2008 as prepared by Lebow, Hicks Ltd. and provided to the Agents in respect of the North Front Centre and the Wonderland Plaza (the "**Appraisals**") are complete and accurate, the Company agrees with all of the conclusions reached in the Appraisals and the Appraisals do not contain any omission or misstatement and to the Company's knowledge, the conclusions reached in the Appraisals will not be materially changed or amended;

(xxxiv) the Company and each of the Initial Properties and to the Company's knowledge, each of the Acquired Properties has been and is in material compliance with all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and rules, orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency ("**Environmental Laws**") relating to the protection of the environment, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances ("**Hazardous Substances**");

(xxxv) neither the Company nor to the Company's knowledge, Westdale has received, any notice that it is potentially responsible for a federal, provincial, municipal or local clean-up site or corrective action under any Environmental Laws in respect of the Initial Properties or Acquired Properties, as applicable. Neither the Company nor Westdale has received any request for information in connection with any federal, provincial, municipal or local inquiries as to its disposal sites, if any;

(xxxvi) neither the Company in respect of the Initial Properties nor to the Company's knowledge, Westdale in respect of the Acquired Properties, have used or permitted to be used, except in material compliance with all Environmental Laws, any of the respective properties to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance;

(xxxvii) neither the Company nor to the Company's knowledge, Westdale have ever received any notice of, nor been prosecuted for an offence alleging, non-compliance with any Environmental Laws, nor has the Company or to the knowledge of the Company, after due inquiry, Westdale settled any allegation of non-compliance short of prosecution in respect of the Initial Properties or the Acquired Properties, as applicable;

(xxxviii) the Company has not caused or permitted, nor has there ever been the Release, in any manner whatsoever, of any Hazardous Substance on or from any of the Initial Properties, or any such Release on or from a facility or property owned or operated by third parties but with respect to which the Company is or may be alleged to have liability;

(xxxix) except as disclosed in the Phase 1 environmental reports in respect of the Acquired Properties as provided to the Agents, to the Company's knowledge, Westdale has not caused or permitted, nor has there ever been the Release, in any manner whatsoever, of any Hazardous Substance on or from any of the Acquired Properties, or any such Release on or from a facility or property owned or operated by third parties but with respect to which Westdale is or may be alleged to have liability;

(xl) at the Time of Closing, the Offered Shares will be conditionally approved for listing on the Exchange, subject to satisfaction of any usual conditions imposed by the Exchange;

(xli) Computershare Trust Company of Canada at its principal office in the City of Calgary, Alberta has been duly appointed and will act as transfer agent and registrar for the Common Shares;

(xlii) there has never been any reportable event (within the meaning of National Instrument 51-102 of the Canadian Securities Administrators) with the present auditor of the Company;

(xliii) neither the Company nor to the Company's knowledge, Westdale has received notice of any action, proceeding or investigation pending or threatened in respect of the Initial Properties or the Acquired Properties, as applicable, which might be enforceable against the Company after the Closing Date;

(xliv) to the Company's knowledge the tenants of the properties that comprise the Initial Properties and the tenants of the Acquired Properties are in good financial condition and after due inquiry, the Company, as of the date hereof, has no reason to believe such tenants will not be able to meet their obligations under their respective leases with the Company;

(xlv) the Company is a reporting issuer, or the equivalent thereof, under the securities laws of the provinces of Ontario, British Columbia, and Alberta. The Company is not currently in default in any material respect of any requirement of such securities laws and the Company is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of the Selling Jurisdictions. In particular, without limitation, the Company is in compliance at the date hereof with its obligations to make timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to the Company which has occurred and with respect to which the requisite material change report or press release has not been filed. To the knowledge of the Company, none of the continuous disclosure filings of the Company contain a misrepresentation at the date of filing thereof which has not been corrected since filing that would result in a Material Adverse Effect;

(xlvi) the Company and to the Company's knowledge, Westdale (in respect of the Acquired Properties) has filed all federal, provincial, local and foreign tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect) and have paid all Taxes required to be paid by and any other assessment, fine or penalty levied against the Company and to the Company's knowledge, Westdale (in respect of the Acquired Properties), to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith;

(xlvii) neither the Company nor to the Company's knowledge, Westdale is aware of any unpaid Taxes, including realty taxes, payable with respect to the Initial Properties and Acquired Properties, respectively, and to their knowledge, no Taxes are in arrears with respect to the Initial Properties and the Acquired Properties as of the date hereof;

(xlviii) the Company has established on its books and records reserves that are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Company, and there are no audits known by the management of the Company to be pending of the tax returns of the Company (whether federal, provincial, local or foreign) and there are no outstanding claims which have been or, to the Company's knowledge, may be asserted relating to any such tax returns;

(xlix) no domestic or foreign taxation authority has asserted or threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Company and to the Company's knowledge, Westdale (including, without limitation, any predecessor companies) filed for any year which would have a Material Adverse Effect on the Company or the Acquired Properties;

(l) the Company has entered into conditional purchase agreements with respect to the Proposed Acquisitions. The present intention of the Company is, and the Company shall endeavor, to use the net proceeds from the Offering in accordance with the Term Sheet attached hereto as Schedule "A". Each of the Proposed Acquisitions is permitted by the Company's constating documents and will be carried out and completed in all material respects in accordance with the respective Acquisition Agreement in respect thereof, each Acquisition Agreement permits or entitles the Company to obtain all information, financial or otherwise, necessary for the Company to file any required business acquisition report in connection with the acquisition of the relevant Acquired Property in a timely manner and in accordance with Canadian Securities Laws, and the Company has no knowledge or any reason to believe that it will not be able to comply with any requirement of the Company to file such required business acquisition report. The Company is not aware of any facts or circumstances that would cause it to believe that any of the Proposed Acquisitions will not be completed substantially in accordance with the respective Acquisition Agreement in respect thereof. The Company has not approved or entered into any agreement in respect of the purchase of any property (other than the Proposed Acquisitions) or the sale, transfer or other disposition of any property currently owned, directly or indirectly, by the Company, whether by asset sale, transfer of shares, or otherwise;

(li) the Company shall use its commercially reasonable best efforts to deploy all or substantially all of the net proceeds of the Offering (less funds retained for general corporate purposes in accordance with paragraph 4(a)(xlviii)), as soon as practicable, to complete the Proposed Acquisitions;

(lii) all property condition assessment reports that are available to the Company or Westdale relating to the Initial Properties and the Acquired Properties have been delivered to the Agents and, except as indicated therein, the Initial Properties and the Acquired Properties are in a good state of repair as at the date hereof, reasonable wear and tear excepted;

(liii) the Company has, and upon completion of the Proposed Acquisitions will have, good and marketable title to all of its respective assets and properties, real and personal, including, but not limited to, the Initial Properties and the Acquired Properties, free and clear of all mortgages, pledges, liens, title retention agreements, encumbrances or charges of any kind of character, except for those encumbrances that would not have a Material Adverse Effect. No written or oral agreements to purchase, options to purchase or rights of first refusal to purchase have been granted by the Company with respect to any of the assets, including the Initial Properties or the Acquired Properties, of the Company or any part thereof that have not expired or been waived;

(liv) on or prior to the closing of the Proposed Acquisitions, the Company shall obtain title insurance in respect of the Acquired Properties for such amounts as is adequate in the circumstances and shall provide a copy of such title insurance to the Agents upon closing of the Proposed Acquisitions;

(lv) neither the Company nor to the Company's knowledge, Westdale is aware of any facts or circumstances that would cause it to believe that the Proposed Acquisitions will not be completed in the manner and within the time periods as contemplated in this Agreement and in the Acquisition Agreements; and

(lvi) all of the representations, warranties and covenants of the Company contained herein are true as of the date hereof and such representations, warranties and covenants of the Company will be true as at the Closing Date.

(b) Representations, Warranties and Covenants of the Agents. Each of the Agents hereby severally represents, warrants and covenants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

(i) in respect of the offer and sale of the Common Shares, the Agents will comply with all Canadian Securities Laws and all applicable laws of the jurisdictions outside Canada in which any of them offers the Common Shares; and

(ii) the Agents have not and will not solicit offers to purchase or sell the Common Shares so as to require the filing of a prospectus with respect thereto or the registration of any of the Company's securities under the laws of any jurisdiction including without limitation the United States.

5. Closing Deliveries. The purchase and sale of the Common Shares shall be completed at the Closing Time at the offices of Wildeboer Dellelce LLP in Toronto, Ontario, or at such other place as Blackmont (on behalf of the Agents) and the Company may agree upon. At or prior to the Closing Time, the Company shall, subject to the provisions of paragraph 6 of this Agreement, duly and validly deliver to the Agents certificates in definitive form representing the Common Shares in the names of the Purchasers or as indicated on their respective Subscription Agreements in the City of Toronto, against payment at the direction of the Company of the subscription price therefor, in lawful money of Canada**.** The Agents and the Company may discharge their respective payment obligations by delivery by the Agents of a transfer of funds by electronic wire transfer to the designated bank account of the Company. Such payment to the Company shall be solely in respect of the sale of Common Shares and shall be equal to the aggregate purchase price for the Common Shares, less the Agents' Fee payable in respect of the sale of Common Shares and the reasonable out-of-pocket costs and expenses of the Agents of the Offering, including reasonable fees and disbursements of counsel.

6. Closing Conditions. Each Purchaser's obligation to purchase the Common Shares at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions, which conditions the Company covenants to exercise its reasonable best efforts to have fulfilled on or prior to the Closing Date:

(a) the Agents shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Company, or such other officers of the Company as the Agents may agree, certifying for and on behalf of the Company, to the best of their knowledge, information and belief after due inquiry, that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or threatened or to the Company's knowledge are pending contemplated by any regulatory authority;

(ii) the Company has materially complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and

(iii) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement.

(b) the Agents shall have received at the Closing Time certificates dated the Closing Date, signed by appropriate officers of the Company addressed to the Agents, with respect to the articles and by-laws of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers, the constating documents of the Company and such other matters as the Agents may reasonably request;

(c) the Directors will have authorized and approved this Agreement and the Subscription Agreements and the sale and issuance of the Common Shares and all matters relating to the foregoing;

(d) the Agents shall have received at the Closing Time, evidence that all requisite approvals, consents and acceptances of the shareholders, the appropriate regulatory authorities including the Exchange required to be made or obtained by the Company in order to complete the Offering have been made or obtained;

(e) the Subscription Agreements and the certificates representing the Offered Shares shall have been executed or endorsed, as applicable and delivered by the parties thereto in form and substance satisfactory to the Agents and their counsel, acting reasonably;

(f) the Exchange shall have issued its conditional acceptance for the issuance of the Offered Shares;

(g) the Agents shall have received favourable legal opinions addressed to the Agents and the Purchasers dated the Closing Date, from Wildeboer Dellelce LLP, counsel for the Company (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company and on certificates of the Transfer Agent, as to the issued capital of the Company; (ii) as to matters of fact not independently established, on certificates of the Company's auditors or a public official); and (iii) as to matters of law with respect to consulting counsel in the applicable local jurisdictions) with respect to the following matters:

(i) as to the continuance and subsistence of the Company under the laws of Ontario and as to the adequacy of the corporate power and authority of the Company to carry out its obligations under this Agreement and the Subscription Agreements and to issue the Offered Shares;

(ii) as to the authorized and issued capital of the Company;

(iii) that the Company has all requisite corporate power, capacity and authority under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and to own its properties and to carry out the transactions contemplated by this Agreement and the Subscription Agreements;

(iv) that (i) the execution and delivery of this Agreement and the Subscription Agreements, (ii) the completion of the Proposed Acquisitions, (iii) the performance and compliance with the terms of this Agreement and the Subscription Agreements, (iv) the issue and sale of the Offered Shares; and (v) the consummation of the transactions contemplated by this Agreement and the Subscription Agreements, by the Company, will not result in any breach of, or be in conflict with or constitute a default under or create a state of facts (whether after notice or lapse of time or both) which would constitute a default under, any of the terms, conditions or provisions of the constating documents or by-laws of the Company or the resolutions of the directors and shareholders of the Company or applicable corporate law;

(v) that all necessary action has been taken by the Company to authorize the execution, delivery and performance of this Agreement and the Subscription Agreements and this Agreement and the Subscription Agreements have been duly executed and delivered by it and constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as enforcement of such agreements may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought;

(vi) that the Company is a reporting issuer in good standing in the Provinces of Ontario, British Columbia and Alberta and is not included on a list of defaulting issuers maintained by the applicable Securities Regulators;

(vii) that the Offered Shares have been validly issued as fully paid and non-assessable securities in the capital of the Company;

(viii) that Computershare Trust Company of Canada has been appointed the transfer agent and registrar for the common shares of the Company;

(ix) that the issuance and sale by the Company of the Offered Shares to the Purchasers are exempt from the prospectus and registration requirements of applicable Securities Laws in the Selling Jurisdictions and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and sale;

(x) that no other documents will be required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws in connection with the first trade of the Offered Shares, provided that four months and a day have lapsed since the Closing Date, subject to the usual qualifications;

(xi) that the issuance of the Offered Shares have been conditionally accepted for filing by the Exchange and the Exchange has conditionally approved the Offered Shares for listing; and

(xii) as to such other matters as the Agents' legal counsel may reasonably request prior to the Closing Time.

(h) the Agents shall have received certificates of status or similar certificates with respect to the jurisdiction in which the Company is incorporated;

(i) the Agents shall have received an undertaking from the Company to deliver, forthwith following the Closing Date, a favourable legal opinion addressed to the Agents, the Purchasers and the Agents' counsel, dated as of the Closing Date, in form and substance satisfactory to the Agents and its counsel, acting reasonably, as to the title and ownership interest of the Company in the Initial Properties;

(j) the Company shall have obtained and delivered to the Agents, prior to the Time of Closing, executed copies of a lock-up agreement (the **"Lock-Up Agreements"**) from each of the directors of the Company and each member of senior management of the Company, in form and substance satisfactory to the Agents;

(k) the Agents shall, in their sole discretion, be satisfied with their due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company;

(l) all consents, approvals, permits, authorizations or filings as may be required under Canadian Securities Laws necessary for the execution and delivery of this Agreement and the Subscription Agreements, the issuance and sale of the Offered Shares and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable; and

(m) the Company will deliver such further certificates and other documentation as may be contemplated in this Agreement or as the Agents' or their counsel may reasonably require.

7. Rights of Termination

(a) **Due Diligence Out.** In the event that the due diligence investigations performed by the Agents and/or their representatives reveal any material information or fact not generally known to the public which might, in the sole opinion of the Agents (or any one of them), acting reasonably, adversely affect the market price of the Common Shares, quality of the investment or marketability of the Offering, the Agents (or any one of them) shall be entitled, at their sole option and in accordance with subparagraph 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by notice to that effect given to the Company any time prior to the Closing Time.

(b) **Litigation.** If any inquiry, action, suit, investigation or proceeding whether formal or informal (including matters of regulatory transgression or unlawful conduct and including any inquiry or investigation by the Exchange or any securities commission), is commenced, announced or threatened in relation to the Company, or any of their respective officers, directors or principal shareholders, the Agents (or any one of them) shall be entitled, at their sole option and in accordance with subparagraph 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by notice to that effect given to the Company any time prior to the Closing Time.

(c) **Disaster Out.** In the event that prior to the Closing Time, there should develop, occur or come into effect any event of any nature, including terrorism, accident, a new or change in any governmental law or regulation, or other condition or major financial occurrence of national or international consequence, which, in the reasonable opinion of the Agents (or any one of them), materially adversely affects, or may adversely affect, the financial markets generally or the business, operations, affairs or profitability of the Company, or on the market price or value of the Common Shares, the Agents (or any one of them) shall be entitled at their sole option, in accordance with subparagraph 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time.

(d) **Change in Material Fact.** In the event that prior to the Closing Time, the Agents or the Agents' representatives, through their due diligence investigations, or otherwise discover or there should occur a material change or a change in any material fact or new material fact shall arise, which, in the reasonable opinion of the Agents (or any one of them), has or could be expected to have a material adverse change or material adverse effect on the business, affairs or profitability of the Company or on the market price or value of the Common Shares, the Agents (or any one of them) shall be entitled, at their sole option, in accordance with subparagraph 7(h), to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Offered Shares) by written notice to that effect given to the Company prior to the Closing Time.

(e) **Non-Compliance With Conditions.** Any breach or failure by the Company to comply with any material conditions of this Agreement or in the event that any representation or warranty given by the Company becomes false in any material respect and is not rectified as at the Closing Time, shall entitle the Agents (or any one of them), at their sole option in accordance with subparagraph 7(h), to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Common Shares) by notice to that effect given to the Company at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agents only if the same is in writing and signed by them.

(f) **Cease Trade Order.** In the event that any order to cease trading in securities of the Company is made or threatened by a Securities Regulator, which, in the reasonable opinion of the Agents (or any one of them), acting reasonably, operates or could operate to prevent or restrict trading in the Common Shares or distribution or sale of the Common Shares in the Selling Jurisdictions, or any other jurisdiction where Purchasers are resident the Agents (or any one of them) shall be entitled, at their sole option, in accordance with subparagraph 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Common Shares) by written notice to that effect given to the Company prior to the Closing Time.

(g) **Profitably Marketed.** In the event that prior to the Closing Time, the state of the Canadian, U.S. or international financial markets is such that, in the reasonable opinion of the Agents, (or any one of them) the Common Shares cannot be profitably marketed, the Agents (or any one of them) shall be entitled at their sole option, in accordance with subparagraph 7(h) of this Agreement, to terminate their obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Common Shares) by written notice to that effect given to the Company prior to the Closing Time.

(h) **Exercise of Termination Rights.** The rights of termination contained in subparagraphs 7(a), (b), (c), (d), (e) (f) and (g) may be exercised by the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by the Agents, there shall be no further liability on the part of the Agents to the Company or on the part of the Company to the Agents except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination under paragraphs 8 and 10.

8. Expenses. Whether or not the Offering is completed, the Company will pay all reasonable expenses and fees in connection with the Offering, including all expenses of or incidental to the issue, sale or distribution of the Offered Shares including, the fees and expenses of the Company's counsel; all costs incurred in connection with the preparation of documents relating to the Offering; and all reasonable expenses and fees incurred by the Agents which shall include the reasonable fees and disbursements of the Agents' counsel. All reasonable fees and expenses incurred by the Agents or on their behalf shall be payable by the Company on closing of the Offering and shall be retained by the Agents from the gross proceeds from the sale of the Common Shares.

9. Survival of Representations and Warranties. All terms, warranties, representations, covenants and agreements herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Common Shares for a period of two years from the Closing Date and continue in full force and effect for the benefit of the Agents and the Purchasers and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the purchase and sale of the Common Shares.

10. Indemnity: The Company agrees to indemnify and hold harmless the Agents and each of their subsidiaries and affiliates and each of their respective directors, officers, employees, partners, agents, each other person, if any, controlling the Agents or any of their respective subsidiaries, affiliates and each shareholder of the Agents (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the engagement of the Agents in connection with the Offering (the **"Engagement"**). The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting Claims on behalf of or in right of the Company for or in connection with the Engagement except to the extent any Losses suffered by the Company are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted primarily from the gross negligence or wilful misconduct of such Indemnified Party. The Company will not, without the prior written consent of the Indemnified Party, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Company has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes a release of each Indemnified Party from any liabilities arising out of such Claim. The Indemnified Parties will not, without the prior written consent of the Company, settle, compromise, consent to the entry of any judgement in or otherwise seek to terminate any claim in respect of which indemnification may be sought hereunder without the prior written consent of the Company, such consent not to be unreasonably withheld.

Promptly after receiving notice of a Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agents or any such other Indemnified Party will notify the Company in writing of the particulars thereof, provided that the omission so to notify the Company shall not relieve the Company of any liability which the Company may have to the Agents or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required materially prejudices the defence of such Claim or results in any material increase in the liability which the Company has under this indemnity. The Company shall have 30 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of the Claim. If the Company undertakes, conducts and controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim.

If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agents or any other Indemnified Party or insufficient to hold the Agents or any other Indemnified Party harmless in respect of a Claim, the Company shall contribute to the amount paid or payable by the Agents or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agents or any other Indemnified Party on the other hand but also the relative fault of the Company, the Agents or any other Indemnified Party as well as any relevant equitable considerations; provided that the Company shall in any event contribute to the amount paid or payable by the Agents or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees received by the Agents under the Agreement.

The Indemnified Party may retain counsel to separately represent it in the defense of a Claim, which shall be at the Company's expense if (i) the Company does not promptly assume the defense of the Claim, (ii) the Company agrees to separate representation or (iii) the Indemnified Party is advised by counsel that there is an actual or potential conflict in the Company's and the Indemnified Party's respective interests or additional defenses are available to the Indemnified Party, which makes representation by the same counsel inappropriate.

The obligations of the Company hereunder are in addition to any liabilities which the Company may otherwise have to the Agents or any other Indemnified Party.

(b) Right of Indemnity in Favour of Others. With respect to any party who may be indemnified by paragraph 10(a) above and is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits of this paragraph 10 in trust for and on behalf of such Indemnified Party.

11. Action by Agents. All steps which must or may be taken by the Agents in connection with this Agreement, with the exception of the matters relating to termination contemplated by paragraph 7 or matters relating to indemnity and contribution contemplated by Paragraph 10, may be taken by Blackmont on behalf of itself and the Agents and the execution and delivery of this Agreement by the Company and the Agents shall constitute the authority of the Company for accepting notification of any such steps from, and for delivery of the definitive documents constituting the Common Shares to Blackmont. Blackmont agrees to consult with the other Agents with respect to all material matters.

12. Agency Fee. In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall pay the Agents on the Closing Date a cash fee (the "**Agency Fee**") in an amount equal to 7.0% of the gross proceeds of the Offering, provided however, that no Agency Fee shall be payable to the Agents pursuant to purchases of Offered Shares by Westdale or Mitchell Cohen.

13. Syndication of Agents

The sale of the Common Shares in connection with the Offering shall be on a "best efforts" agency basis without underwriter liability or obligation and shall be as to the following percentages of the Common Shares to be sold at that time:

Name of Agent	Syndicate Position
Blackmont Capital Inc.	70%
M Partners Inc.	30%

If any of the Agents fails to sell its applicable percentage of the aggregate amount of the Common Shares at the Closing Time, the other Agents shall have the right, but shall not be obligated, to sell the Common Shares which would otherwise have been sold by the Agent which fails to sell.

14. Advertisements. The Company acknowledges that the Agents shall have the right, subject always to clauses 1(a), (c) and 4(b) of this Agreement, at their own expense, to place such advertisement or advertisements relating to the sale of the Common Shares contemplated herein as the Agents may consider desirable or appropriate and as may be permitted by applicable law. The Company and the Agents each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable Canadian Securities Laws being unavailable in respect of the sale of the Common Shares to prospective purchasers.

15. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

(a) If to the Company, to:

Urbanfund Corp.
440 Adelaide Street West
Toronto, ON M5V 1S7

Attention: Mitchell Cohen
President and Chief Executive Officer
Fax: (416) 504-9216

with a copy to:

Wildeboer Dellelce LLP
Suite 800
365 Bay Street
Toronto, ON M5H 2V1

Attention: Robert Fonn
Fax: (416) 361-1790

(b) If to the Agents, to:

Blackmont Capital Inc.
BCE Place, Suite 900
181 Bay Street
Toronto, ON M5J 2T3

Attention: Michael Klax
Fax: (416) 864-9151

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Attention: Lawrence Wilder
Telecopier: (416) 350-6904

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

16. Time of the Essence. Time shall, in all respects, be of the essence hereof.

17. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

18. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

19. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

20. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the engagement letter dated July 3, 2007. This Agreement may be amended or modified in any respect by written instrument only.

21. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

23. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agents and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

24. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

25. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

26. Language. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

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27. Counterparts. This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement. If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Agents.

Yours very truly,

BLACKMONT CAPITAL INC.

Per: ________*"Michael Klax"*___________
Authorized Signing Officer

M PARTNERS INC.

Per: _______*"Steven Isenberg"*__________
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of February 15th, 2008.

URBANFUND CORP.

Per: ________*"Mitchell Cohen"*_____________
Authorized Signing Officer

SCHEDULE “A”

TERM SHEET

SCHEDULE "B"

OUTSTANDING CONVERTIBLE SECURITIES

As of the date hereof the Company has issued options to purchase 1,018,684 Common Shares under its stock option plan.

There are no other convertible securities of the Company currently issued and outstanding.