UNDERTAKING

OF

CANADIAN HOME INCOME PLAN CORPORATION

AND

HOMEQ CORPORATION

DELIVERED PURSUANT TO

SUBSECTION 973.02(1) OF THE BANK ACT

Regarding Certain Terms and Conditions of Reverse Mortgage Loan Agreements

TO: THE MINISTER OF FINANCE

WHEREAS Canadian Home Income Plan Corporation ("CHIP"), a wholly-owned subsidiary of HOMEQ Corporation ("HOMEQ"), has applied under section 33 of the *Bank Act* for letters patent ("Letters Patent") to continue as a bank to be named, in English, "HomEquity Bank" and, in French, "Banque HomEquity";

AND WHEREAS the Minister of Finance ("Minister"), under subsection 973.02(1) of the *Bank Act*, in the granting of the Letters Patent, requires CHIP and HOMEQ (each, the "Undersigned"), to enter into this Undertaking to ensure certain terms and conditions are contained in reverse mortgage loan agreements;

NOW THEREFORE, in consideration of the issuance of the Letters Patent, each of the Undersigned undertakes as follows:

TERM

1. This Undertaking shall come into effect on the date on which the Letters Patent are issued and shall remain in effect as long as the Letters Patent remain effective.

UNDERTAKING

2. Each of the Undersigned acknowledges that this Undertaking constitutes a public commitment that is designed to protect the interests of customers of the Undersigned, and undertakes to:

    i) abide by the business practices set out in the Appendix to this Undertaking;

    ii) include, in language and presented in a manner that is clear, simple and not misleading, the information set out in that Appendix in the disclosure documentation and the reverse mortgage loan agreements offered and provided by the Undersigned;

and

iii) post in the public domain, and allow the Minister to publish, their commitments contained in this Undertaking.

REPRESENTATIONS AND WARRANTIES

3. The Undersigned represent and warrant that:

   (a) HOMEQ is duly incorporated and validly existing under the laws of Ontario and that it has the power and capacity to own its assets and to enter into and perform its obligations under this Undertaking;

   (b) CHIP is duly incorporated and validly existing under the laws of Canada and that it has the power and capacity to own its assets and to enter into and perform its obligations under this Undertaking;

   (c) this Undertaking and its terms have been duly authorized, executed and delivered by it and constitutes a valid and binding obligation enforceable in accordance with the terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;

   (d) the execution, delivery and performance of this Undertaking does not and will not contravene the provision of its articles, by-laws, constating documents or other organizational documents or the documents by which it was created or established or the provisions of any indenture, agreement or other instrument to which it is a party or by which it may be bound; and

   d) this Undertaking constitutes the legal, valid and binding document of it and is enforceable against it in accordance with its terms, except as enforcement of its terms may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors rights generally or by principles of equity affecting the availability of equitable remedies.

GENERAL

4. Each of the Undersigned undertakes to cause each of its present and future subsidiaries, and the agents and representatives of those subsidiaries, to comply with this Undertaking.

5. If any of the Undersigned fails to comply with any provision of this Undertaking ("a breach"), such Undersigned assents that such a breach must be remedied to the satisfaction of the Minister, or such other person that has been delegated powers of the Minister, who may issue direction to such Undersigned pertaining to such breach.

6. Each of the Undersigned agrees to comply with the direction of the Minister in Section 5, or such other person that has been delegated powers of the Minister.

7. Each of the Undersigned recognizes that the rights and remedies in Section 5 are in addition to and not a substitution for any other right or remedy provided to the Minister by law.

8. The inclusion of headings in this Undertaking is for convenience of reference only and shall not affect the construction or interpretation thereof.

9. If, at any time, any provision of this Undertaking is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Undertaking nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

IN WITNESS WHEREOF Canadian Home Income Plan Corporation and **HOMEQ Corporation** have executed this Undertaking under the hand of their duly authorized signing officers this 22nd day of September, 2009.

Canadian Home Income Plan Corporation	**HOMEQ Corporation**
Per: "Steven Ranson"	Per: "Steven Ranson"
Name: Steven Ranson Title: President & Chief Executive Officer	Name: Steven Ranson Title: President & Chief Executive Officer
Per: "Celia Cuthbertson"	Per: "Celia Cuthbertson"
Name: Celia Cuthbertson Title: VP, General Counsel & Corporate Secretary	Name: Celia Cuthbertson Title: VP, General Counsel & Corporate Secretary

APPENDIX TO THE UNDERTAKING OF

CANADIAN HOME INCOME PLAN CORPORATION AND HOMEQ CORPORATION

(each, a “lender”, as applicable)

1. Limit the Borrower’s Payment Due Dates

The borrower will not be required to make any payments under his/her reverse mortgage loan agreement until the earliest of the following dates (“Due Date”):

a. 180 days after the death of the last surviving borrower who has signed the reverse mortgage loan agreement;

b. the date that borrower closes the sale of or otherwise disposes of all or any part of the property;

c. the first anniversary of the date the last surviving borrower who has signed the reverse mortgage loan agreement has moved into a long-term care facility or retirement residence; or

d. the date on which an event of default occurs, an event of default being one which is standard in the residential mortgage industry in Canada.

For clarification, if the Due Date is triggered under (d), the total amount owing under the reverse mortgage loan agreement may have to be repaid before the death of the borrower or the sale of the property. For example, this could happen if the borrower fails to do what is required under the reverse mortgage loan agreement, such as pay property taxes or insurance or maintain the property in good condition.

2. Limit the Borrower’s Payment Obligations

On the Due Date, the total amount owing becomes payable. However, the total amount owing, excluding Related Expenses and any interest accrued after the Due Date, will not exceed the largest of any of the following amounts:

a. fair market value of the property on the Due Date;

b. gross proceeds of sale (i.e., total sale price without any deductions for such items as real estate commissions) of the property; or

c. fair market value of the property on the date of actual payment of the total amount owing.

“Related Expenses” means any money (other than the principal advanced to the borrower) that the lender has not initially agreed to spend in connection with the property, the payment of which and interest thereon is secured by the reverse mortgage loan agreement. Such expenses include, but are not limited to, taxes, charges from the borrower’s financial institution relating to returned payments, the lender’s administration fees (if any) and any other costs incurred or amounts paid by the lender:

a. in inspecting, appraising, selling, managing, repairing, insuring or maintaining the property; and

b. relating to the reverse mortgage loan agreement, including its enforcement and realizing on the lender’s security.

3. Waiver of Rights Prohibited

The lender shall not seek or accept from a consumer or borrower any waiver or release of the rights, benefits or protection provided to that consumer or borrower under this Appendix.