

The Credit River Company
Box 461 Campbellville Ontario L0P 1B0

15 August 2006

To:

Thank you for your response to our recent letter asking if you were an unsecured creditor of the Caledon Inn, The Cataract Inn or the Belfountain Village Store.

As mentioned, the Credit River Company has ceased operations at those locations, and our business efforts there have collapsed. The company is in the process of being wound up, and has exhausted its resources

However, now that an audit of existing claimed unsecured creditors is complete, and prior to closing our books, we are willing to offer incomplete payment on the amount outstanding as a show of goodwill. We wish there were sufficient funds to pay the amount claimed, but that is not the case.

- Should you choose to accept this amount offered, as full and complete payment of your account with Credit River Company and its former operational companies, please sign and return the enclosed form, and a cheque will be sent to you immediately upon receipt. We require this information by **31 August 2006** in order to honour the offer of payment being made herein.
- If you do not accept this offer, the normal avenues of recourse are available to you. Please note that your claim is unsecured, against a corporate entity, and any action initiated against any individual will be disallowed.

Direct any further correspondence to the above address.

Sincerely,

ACCOUNTS PAYABLE
The Credit River Company Inc.

The Credit River Company Inc.
Box 461 Campbellville Ont. L0P 1B0

FINAL SETTLEMENT OF UNSECURED CLAIM

Between: _____ (“Creditor”)

and

The Credit River Company Inc.
Formerly c.o.b. as the Caledon Inn, The Cataract Inn,
The Belfountain Village Store
(collectively known as “Debtor”)

By accepting payment in the amount indicated below, the Creditor named above does relinquish, retire, set aside, abandon and give up its entire unsecured claim against the Debtor. Further, in consideration of the offered amount, and by accepting and receiving it, the Creditor agrees now and in the future that all obligations, financial and otherwise, of the Debtor to the Creditor have been met in full and that no action or claim or demand of any kind will ever be brought against the Debtor in relation to the unsecured claim referenced in correspondence between the parties dated July, 2006 or August 2006, or any individual(s) associated in any way with the Debtor, its related companies, subsidiaries or operations, past, current or future.

The Creditor acknowledges that the amount of \$ _____ has been offered by the Debtor as final payment, and by agreeing to receipt of this amount, as witnessed by the binding signature below, that the unsecured claim has been completely and totally satisfied.

August 2006.

Terms and amount accepted by:

I have the authority to bind the corporation