



January 5, 2006

Initiatives Canada Corporation
665 Millway Avenue, Suite 38
Concord, Ontario
L4K 3T8

Dear Mr. Wilson:

Re: Policy - SLIFMV00005 (ICC 2003)

This letter is to confirm our extension of the above mentioned policy until December 31, 2006.

In consideration of the representations and agreements contained in the above mentioned policy and in each application for coverage made by the Insured Seller pursuant to the above mentioned policy, and of the payment of premiums as provided in the above mentioned policy, the Insurer offers to provide the coverage set out in the above mentioned policy to the Insured Seller in respect of each Extended Warranty sold by the Insured Seller on or before December 31, 2006.

The premium will be due and payable within 60 days of the date of sale of the Extended Warranty by the Insured Seller to a Buyer but no later than December 31, 2006.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Smith", is written over a horizontal line. Below the line, the text "Authorized Signing Officer" is printed.

Authorized Signing Officer

Cc: RS Group of Companies, Inc.
PAC Protection Assurance Corporation