

ONTARIO

DIVISIONAL COURT, SUPERIOR COURT OF JUSTICE

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiff

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

**MOTION RECORD
(Volume 1 of 5)**

October 13, 2017

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TAB 1

533/77

Court File No.: CV-17-11822-00CL

ONTARIO

DIVISIONAL COURT, SUPERIOR COURT OF JUSTICE

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiff

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

NOTICE OF MOTION FOR LEAVE TO APPEAL TO THE DIVISIONAL COURT

THE DEFENDANTS, John Davies and Aeolian Investments Ltd., will make a motion to a panel of the Divisional Court, in writing without the attendance of parties of lawyers, on a date to be fixed by the Registrar, in accordance with Rule 62.02(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

PROPOSED METHOD OF HEARING: The motion is to be heard in writing.

THE MOTION IS FOR:

1. An Order granting the Defendants leave to appeal to the Divisional Court from the decision of the Honourable Justice Myers dated August 30, 2017 which granted the Plaintiff's

motion for, amongst other things, an interlocutory Mareva injunction as against the Defendants (the “**Injunction Motion**”);

2. Costs of this motion and of the Injunction Motion to be reserved to the panel of the Divisional Court hearing the appeal; and

3. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Defendant John Davies was the director and officer of the real estate development companies represented by the Plaintiff (the “**Receivership Companies**”). Each of the Receivership Companies borrowed funds from a number of trustee corporations (the “**Trustee Corporations**”) to develop real estate projects, pursuant to loan agreements between the parties. These borrowed funds were to be used to fund predevelopment expenses and advance the projects to construction, at which point construction financing would be obtained.

2. The sole director of the Trustee Corporations was Raj Singh, who is not a party to the within litigation. Mr. Singh was also President of Tier 1 Transaction Advisory Services Inc. (“**Tier 1**”), which raised funds for the Trustee Corporations from the public. The Receivership Companies had no relationship with the individuals who invested in the Trustee Corporations; their only relationship was with the Trustee Corporations as borrower.

3. The Receivership Companies operated as an umbrella organization, working to develop all of the projects in parallel. Between 2011 and 2016, the Defendants worked to advance the projects through predevelopment and towards construction, adding incremental development

value to the properties. During that period, for their work, the Defendants earned development management fees which were disclosed in detailed pro formas provided to the Trustee Corporations before any funds were advanced to the Receivership Companies.

4. From time to time, the Receivership Companies also made intercompany loans to pay liabilities as they came due until such time as additional financing was available. The Trustee Corporations consented to these loans, and were therefore permitted under the loan agreements. Each loan was recorded in the books and records of the Receivership Companies.

5. In October 2016, the Financial Services Commission of Ontario suspended Tier 1's operations. Grant Thornton Limited was subsequently appointed trustee over the Trustee Corporations. The Receivership Companies were unable to raise additional funds and defaulted on their loan agreements with the Trustee Corporations. Grant Thornton Limited applied to have the Plaintiff appointed as receiver of the Receivership Companies.

6. The Plaintiff, on behalf of the Receivership Companies, commenced the within action in June 2017 claiming, amongst other things, fraud and breach of fiduciary duty and alleging, amongst other things, that the development management fees were secretly and improperly paid, and that the intercompany loans were prohibited by the loan agreements with the Trustee Corporations. The Plaintiff also obtained an interim Mareva injunction against the Defendants without notice, which was extended on an interim basis on a number of occasions.

7. On August 30, 2017, the Injunction Motion was heard before the Honourable Justice Myers in which the Plaintiff sought to extend the Mareva injunction on an interlocutory basis pending a final disposition of the within action. That same day, Justice Myers granted the order sought on the basis of a handwritten endorsement (the "Order"). The Order also extended the

interlocutory Mareva injunction to Judith Davies (Mr. Davies' wife), and to Mr. and Mrs. Davies in their capacities as Trustees of the Davies Family Trust and the Davies Arizona Trust.

8. There is good reason to doubt the correctness of the Order:

- (a) A Mareva injunction is a drastic and extraordinary remedy, and constitutes an exception to the general rule that there can be no execution before judgment. In order to obtain a Mareva injunction, the moving party must establish, amongst other things, that there is a strong *prima facie* case on the merits. Courts have equated this standard to the moving party establishing that it is "clearly right" in its allegations, or that it is "almost certain to succeed at trial".¹
- (b) In making the Order, the motions judge failed to properly examine and consider the constituent elements of each cause of action pleaded by the Plaintiff and whether the Plaintiff was almost certain to succeed on each of those elements. In doing so, the motions judge erred in his decision-making process and failed to give sufficient reasons for his decision.
- (c) The motions judge also erred by drawing speculative conclusions and failing to consider or rely upon the uncontradicted evidence before him, including in the following instances:
 - (i) Concluding that "instead of using the funds for each corporation's corporate purpose, Mr. Davies paid himself and cohorts fees and dividends", and failing to consider or rely upon the uncontradicted evidence that (a) substantial funds were spent on developing the projects in

question and significant development work was completed, which work increased the value of the development properties, and (b) the management fees and dividends were disclosed to and approved by the Trustee Corporations;

- (ii) Concluding that the Trustee Corporations “lent the investors’ funds to the developers ostensibly on a secured basis to fund the construction of 7 separate projects” and that “Tier 1 raised funds from real people on the basis that the funds would be lent to a developer on a secured basis to fund a building” [emphasis added], and failing to consider or rely upon the uncontradicted evidence that investors were advised that the loaned funds would be used for pre-development costs, not construction costs;
- (iii) Concluding that the intercompany loans made between the Receivership Companies were “not real loans” and that “there was no expectation of repayment”, and failing to consider or rely upon the uncontradicted evidence that the intercompany loans were known to and authorized by the Trustee Corporations, recorded in the financial books and records of the Receivership Companies, and were expected to be repaid once construction financing was secured;
- (iv) Concluding that “construction financing is used to build not to re-pay old debt...”, in the absence of any industry evidence regarding the permissible uses for construction financing; and

¹ *SLMsoft.Com Inc. v. Rampart Securities Inc.*, 2004 CanLII 6329 (ONSC) at para. 14.

- (v) Concluding that “Singh [the sole director of the Trustee Corporations] is not arm’s length [and] I doubt he could unilaterally give a valid consent given his personal conflicts of interest”, and failing to consider or rely upon the uncontradicted evidence that the only relationship between the Defendants and Mr. Singh was that of arms-length borrower and lender – and in the absence of any evidence from Mr. Singh which evidence was entirely in the control of the Plaintiff.
 - (d) In granting the Order against Judith Davies without providing any analysis regarding whether the Plaintiff might succeed against her at trial, the motions judge failed to give sufficient reasons for his decision regarding Mrs. Davies.
 - (e) The motions judge erred in dispensing with the need to require an undertaking as to damages from the Plaintiff on the basis that it has “no skin i
 - (f) n the game” and creating a novel legal theory that the undertaking would cause more harm than good when there was no factual basis in the evidence to support such a conclusion.
 - (g) The motions judge erred in awarding substantial indemnity costs when counsel for both parties after being asked about costs at the hearing had advised the motions judge that the costs should only be addressed after his decision on the merits was released.
9. The proposed appeal involves matters of such importance to the administration of justice that leave to appeal should be granted:

- (a) The Mareva injunction granted by the Order is a rare and extraordinary remedy, and it is in the interest of both the public and the administration of justice to ensure that such remedies are only granted after a careful consideration of the facts and a detailed analysis of the legal issues at play;
- (b) Permitting the Order to stand in light of the errors in the motion judge's decision-making process and the lack of sufficient reasons regarding the legal grounds that the Plaintiff advanced would result in a clear injustice and reflect negatively upon the administration of justice;
- (c) Dispensing with the undertaking as to damages requires much more detailed legal articulation given the extraordinary impact of a Mareva injunction should the Plaintiff not succeed at trial;
- (d) The impact of the Order on the Defendants is substantial as it essentially renders Mr. Davies unable to carry on business or to provide for his family, which factors the motions judge ignored; and
- (e) It is inappropriate for the motions judge to have made an award of costs on a substantial indemnity basis without counsel first having the opportunity to make submissions to the Court on the matter, particularly where counsel for both parties had advised the Court that the issue of costs should only be addressed after a decision on the merits.

10. The proposed questions for consideration by the Divisional Court should leave to appeal be granted include the following:

- (a) Can an interlocutory Mareva injunction be granted in circumstances where the motions judge did not examine the constituent elements of the causes of action pleaded to determine whether the Plaintiff was likely to succeed at trial?
 - (b) Did the motions judge fail to provide adequate reasons in granting the Order?
 - (c) Did the motions judge err in drawing speculative conclusions that were inconsistent with the uncontradicted evidence before him?
 - (d) Did the motions judge misarticulate the test for dispensing with an undertaking for damages?
 - (e) Did the motions judge err in making a decision regarding costs in circumstances where both parties agreed that costs would be addressed after a decision on the merits was released?
11. Section 19(1)(b) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.
 12. Rules 1.04, 61.03 and 62.02 of the *Rules of Civil Procedure*; and
 13. Such further and other grounds as counsel may advise and this Honourable Court may accept.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE
HEARING OF THE MOTION:**

1. The Order and Endorsement of the Honourable Justice Myers dated August 30, 2017;

2. The Motion Records filed by the Plaintiff and the Defendants on the Injunction Motion;
and
3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

September 13, 2017

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Lawyers for the Plaintiff

533/17

Court File No.: 17-11822-00CL

KSV KOFMAN INC.
Plaintiff

and

JOHN DAVIES et al.
Defendant

**ONTARIO
DIVISIONAL COURT
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**NOTICE OF MOTION FOR LEAVE
TO APPEAL TO THE DIVISIONAL
COURT**

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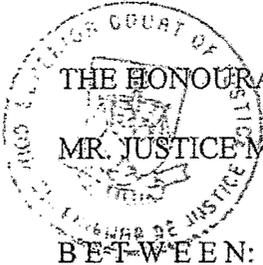
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TAB 2

Court File No. CV-17-11822-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



THE HONOURABLE)
)
 MR. JUSTICE MYERS)

WEDNESDAY, THE 30th
 DAY OF AUGUST, 2017

BETWEEN:

KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

Plaintiff

- and -

JOHN DAVIES AND AEOLIAN INVESTMENTS LTD.

Defendants

ORDER

NOTICE

If you, the defendants and intended defendants, John Davies in your personal capacity and in your capacity as trustee and/or representative of both the Davies Arizona Trust and the Davies Family Trust (in all such capacities, "Mr. Davies"), Judith Davies in your personal capacity and in your capacity as trustee and/or representative of the Davies Family Trust (in all such capacities, "Ms. Davies"), Gregory Harris solely in your capacity as trustee and/or representative of the Davies Family Trust ("Mr. Harris") and Aeolian Investments Ltd. ("Aeolian" and, collectively with Mr. Davies, Ms. Davies and Mr. Harris, the "Defendants"), disobey this order, you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least twenty-four (24) hours notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made on notice by the Plaintiff, KSV Kofman Inc. (“**KSV**” or the “**Receiver**”), solely in its capacity as receiver and manager of certain property of Scollard Development Corporation, Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., 1703858 Ontario Inc., Legacy Lane Investments Ltd., Textbook (525 Princess Street) Inc. and Textbook (555 Princess Street) Inc. and not in its personal capacity or in any other capacity, for an interlocutory Order in the form of a worldwide *Mareva* injunction restraining the Defendants from dissipating their assets and other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Receiver’s Fourth Report dated June 6, 2017 with the appendices thereto, the Receiver’s Sixth Report dated July 12, 2017 with the appendices thereto, the Receiver’s Supplement to the Sixth Report dated August 8, 2017 with the appendices thereto, the factum and book of authorities of the Plaintiff, and the affidavits of Mr. Davies sworn July 14 and July 27, 2017 (collectively, the “**Davies Affidavits**”) and the transcript of the cross-examination of Mr. Davies on the Davies Affidavits,

AND ON HEARING the submissions of counsel for the Plaintiff and counsel for Mr. Davies, Aeolian and Ms. Davies, with Mr. Harris’s counsel having advised that he takes no position on the motion,

Service

1. **THIS COURT ORDERS** that, to the extent necessary, service of the Notice of Motion, Motion Record, Supplementary Motion Record, Factum and Book of Authorities is hereby abridged and validated.

Mareva Injunction

2. **THIS COURT ORDERS** that the Defendants and, as applicable, their respective servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate worldwide, including but not limited to the assets and accounts listed in Schedule “A” hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and
- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

3. **THIS COURT ORDERS** that paragraph 1 applies to all of the Defendants' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Defendants' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

4. **THIS COURT ORDERS** that if the total value free of charges or other securities of the Defendants' assets worldwide exceeds \$9,039,740, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants' assets worldwide remains above \$9,039,740.

Ordinary Living Expenses

5. **THIS COURT ORDERS** that Ms. Davies, in her personal capacity, remains authorized and permitted to access and spend up to an aggregate amount of \$25,000 for ordinary living expenses and legal advice and representation.

6. **THIS COURT ORDERS** that the Defendants may apply for an order, on at least twenty-four (24) hours notice to the Plaintiff, specifying the amount of funds which they are entitled to spend on ordinary living expenses and legal advice and representation.

Third Parties

7. **THIS COURT ORDERS** Royal Bank of Canada, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Bank of Montreal, National Bank of Canada, Laurentian Bank of Canada, Tangerine Bank, President's Choice Bank, JP Morgan Chase and all other banks, credit unions, trusts, financial institutions and financial services companies, whether in Canada or elsewhere, including all of their respective affiliates and branches (collectively, the "**Banks**"), to forthwith freeze and prevent any removal or transfer of monies or assets of the Defendants held in any account or on credit on behalf of the Defendants, with the Banks, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

8. **THIS COURT ORDERS** that, to the extent not already done, the Banks forthwith disclose and deliver up to the Plaintiff any and all records held by the Banks concerning the Defendants' assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate worldwide, held on behalf of the Defendants by the Banks.

Alternative Payment of Security into Court

9. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendants provide security by paying the sum of \$9,039,740 into Court, and the Accountant of the Superior Court of Justice is hereby directed to accept such payment.

Dispensing with Requirement of Rule 40.03

10. **THIS COURT ORDERS** that the requirements of Rule 40.03 of the *Rules of Civil Procedure* shall be and are hereby dispensed with pending further Order of this Court.

Extra-Territorial Application

11. **THIS COURT ORDERS** that, insofar as this Order purports to have any effect outside of the territorial jurisdiction of this Court, no person shall be affected by it or concerned by the terms of it until this Order is declared enforceable or registered or enforced by a foreign court of competent jurisdiction for that purpose, unless that person is:

- (a) a party to this action or any agent of a party to this action; or
- (b) a person who is subject to the judicial jurisdiction of this Court, who has received written notice of this Order within the territorial jurisdiction of this Court.

Extra-Territorial Assistance

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

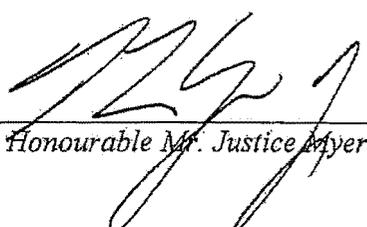
Variation, Discharge or Extension of Order

13. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to the Court at any time to vary or discharge this Order, on four (4) days notice to the Plaintiff.

14. **THIS COURT ORDERS** that this Order shall remain in full force and effect until there is a final disposition of this action on the merits, unless varied or amended by further Order of this Court.

Costs

15. **THIS COURT ORDERS** that costs shall be payable to the Plaintiff on a substantial indemnity basis.



 The Honourable Mr. Justice Myers

ENTERED AT / INSCRIT A TORONTO
 ON / BOOK NO:
 LE / DANS LE REGISTRE NO:

AUG 31 2017

PER / PAR: 

SCHEDULE "A"

ACCOUNTS			
BANK	ADDRESS	ACCOUNT NO.	ACCOUNT HOLDER
Royal Bank of Canada	Aurora-Yonge & Edward Branch, 14785 Yonge St-Unit 101, 14785 Yonge St, Aurora, ON L4G 1N1	00442 101 3069	Aeolian Investments Ltd.
JP Morgan Chase Bank, N.A.	270 Park Avenue, New York, NY, 10017	939712261	Davies Arizona Trust
Toronto Dominion Bank		5223071 3184	Davies Family Trust
Toronto Dominion Bank		7109208 1044	Judith Davies
Toronto Dominion Bank		6290533 1044	Judith Davies
Toronto Dominion Bank		VISA 4520880001949922 3184	Judith Davies
Toronto Dominion Bank		HELOC 3226203-3184	John Davies
Toronto Dominion Bank		VISA 4520700001429883 1988	John Davies
Toronto Dominion Bank		VISA 4520020000093816 3184	John Davies

REAL PROPERTY		
MUNICIPAL ADDRESS	PROPERTY PIN	LEGAL DESCRIPTION
24 Country Club Drive King City, ON L7B 1M5	29530-0018 (LT)	UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
35411 N. 66th Place, Carefree, Arizona, USA, 85377 -and/or- 35410 N. Ridgeway Drive, Carefree, Arizona, USA, 85377	APN 216-32-102	PARCEL 1: LOT 17, CAREFREE GRAND VIEW ESTATES UNIT I, ACCORDING TO BOOK 224 OF MAPS, PAGE 26, RECORDS OF MARICOPA COUNTY, ARIZONA. PARCEL2: AN EASEMENT FOR INGRESS AND EGRESS AND PUBLIC UTILITIES, APPURTENANT TO PARCEL NO. 1, AS SET FORTH IN INSTRUMENT RECORDED IN DOCKET 14945, PAGE 461 AND IN DOCKET 14945, PAGE 464, RECORDS OF MARICOPA COUNTY, ARIZONA, OVER ALL THE PRIVATE ROADS IN CAREFREE GRAND VIEW ESTATES I, ACCORDING TO BOOK 224 OF MAPS, PAGE 26, BOULDER VISTA ESTATES, ACCORDING TO BOOK 227 OF MAPS, PAGE 35; AND CAREFREE GRAND VIEW ESTATES II, ACCORDING TO BOOK 228 OF MAPS, PAGE 2, RECORDS OF MARICOPA COUNTY, ARIZONA.

**KSV KOFMAN INC. in its capacity as Receiver and Manager of
Certain Property of Scollard Development Corporation, et al.**
Plaintiff

v.

JOHN DAVIES et al.

Defendants

Court File No: CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto ON M5X 1A4

Sean Zweig (LSUC#57307I)
Phone: (416) 777-6254
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Facsimile: (416) 863-1716

Lawyers for the Plaintiff

TAB 3

Ministry of the
Attorney General

Superior Court of Justice
330 University Avenue
7th Floor,
Toronto, ON M5G 1R7

Ministère du
Procureur général

Cour supérieure de justice
330 avenue University
7th étage,
Toronto, ON M5G 1R7



Telephone: (416) 327-5121
Facsimile: (416) 327-6228

Téléphone: (416) 327-5121
Télécopieur: (416) 327-6228

*** ATTENTION ***

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TO:	JON BELL
ATTN:	JON BELL
FAX #:	416-863-1716
NUMBER OF PAGES (INCLUDING COVER):	12
FROM:	JUSTICE MYERS COURTROOM 8-2
FAX #:	
TELEPHONE #:	
DATE:	30-AUG-2017

File No. CV-17-11822-00CL

COUNSEL SLIP (COMMERCIAL MOTIONS)

No On List: 7

Court File No: CV-17-11822-0001

DATE: Aug-30/17

Title of Proceeding:

Mossy Care Investments (Kitchenex) Ltd., et al v Davies, J, et al

COUNSEL FOR

Plaintiff(s):

Applicant(s):

Petitioner(s):

PHONE NO. & FAX

Sean Bell

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Sean Zweig

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For the Plaintiff and Receiver,

F: 416 863-1716

ISV Korman Inc

E: bell@benartjones.com

E: zweig@benartjones.com

COUNSEL FOR

Defendant(s):

Respondent(s):

JOHN DAVIES, JUDITH DAVIES + PHONE NO. & FAX
AEOLIAN INVESTMENTS LTD.

Kenneth D. Kraft

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Michael Beeforth

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F: 416 863 4592

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MICHAEL.BEEFORTH@DENTONS.COM

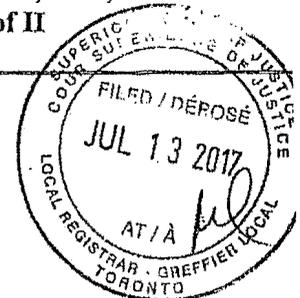
RELIEF SOUGHT:

July 17/17

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(Motion for an Extension of the Mareva Injunction -
Returnable July 17, 2017)
Volume I of II



BENNETT JONES-LLP
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Facsimile: (416) 863-1716

Lawyers for the Plaintiff

July 17/17
For Endorsed attached, order to go.
Despite the Order set out in the
attached Endorsed Mr. Davies is
authorised and ~~allowed~~ allowed
to access and spend up to an
aggregate amount of \$25,000
to retain counsel and sustain himself
in the interim period.

[Signature]

July 30/17
THE PLAINTIFFS HAVE THE BURDEN OF ESTABLISHING
AN ENTITLEMENT TO A MAREVA INJUNCTION.
I AGREE WITH MR. KERRAT THAT EXECUTION
BEFORE JUDGMENT IS A RARE, EXTRAORDINARY
EXCEPTION TO THE RULE. IT SHOULD NOT
BE AVAILABLE WHEN THE DEFENDANT HAS A
PLAUSIBLE, ACCEPTABLE DEFENCE. CONVERSELY

1/2 (YELLOW SHEETS)

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

IT SHOULD ONLY BE AVAILABLE WHERE IT IS CLEARLY
LIKELY TO SUCCEED & THERE IS EVIDENCE OF A REAL RISK
OF DISSIPATION OF ASSETS BY A.

ORDER TO GO AS ASKED.

TV, THE RECEIVER OF 7 DEVELOPERS, SUES JOHN
DAVIES AND OTHERS - ~~THE~~ ^A PRINCIPAL MANAGER AND
OWNER OF THE DEVELOPERS OR THEIR PARENT COMPANIES,
FOR FRAUD, BREACH OF FIDUCIARY DUTY, CONVERSION
~~AND~~ ^{AND} OTHER CAUSES OF ACTION. THE ESSENCE OF THE
CLAIMS ~~ARE~~ ^{IS} THAT THE DEVELOPERS RAISED MONEY
FROM THE PUBLIC THROUGH TIER 1 COMPANIES OWNED
OR RUN BY Mr. SINGH. Mr. SINGH'S COMPANIES
LEND THE INVESTOR'S FUNDS TO THE DEVELOPERS
OSTENSIBLY ON A SECURED BASIS TO FUND THE
CONSTRUCTION OF 7 SEPARATE PROJECTS. SINGH'S
COMPANIES TOOK A 25% FEE. SINGH IS ALSO
A SHAREHOLDER OF ^{SOME OF THE} PROJECT COMPANIES OR THEIR
PARENT COMPANIES WITH DAVIES AND HIS OTHER
COHORTS.

Page 2 of 10

Judges Initials _____

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

THE MONEY WAS NOT USED TO BUILD ANY BUILDINGS. FOOTINGS HAVE STARTED ON 2 PROJECT AND 3 PROJECT IS SAID TO BE NEAR CONSTRUCTION. INSTEAD OF USING THE FUNDS FOR EACH CORPORATION'S CORPORATE PURPOSE THE DALES PAID HIMSELF AND CONARTS FEES ^{AND} DIVIDENDS ~~AND~~ WORST STILL FUNDS WERE ^{NOT} LENT AMONG THE COMPANIES (AND 5 OTHERS) ON AN UNSECURED BASIS TO MEET INTEREST OBLIGATIONS DUE ON ~~THE~~ THOSE COMPANIES BORROWINGS FROM TIER 1 (THE PUBLIC INVESTORS). THE DALES ADMITTED ON X-6X THAT EACH DEVELOPER HAD ~~A~~ SERIOUS CASH FLOW ISSUES AS SOON AS ITS FUNDS WERE RAISED. THAT IS, AFTER FEES, COMPENSATION TO TIER 1, DIVIDENDS ~~&~~ SALARIES & 1 YEAR OF INTEREST HELD IN RESERVE, EACH COMPANY HAD INSUFFICIENT FUNDS TO PAY INTEREST AFTER THE YEAR AND SIGNIFICANTLY TO BUILD A BUILDING. THIS WAS APPARENT ON DAY ONE. TO ANSWER THE SYSTEMIC CASH DRAIN BUILT

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

INTO THE COMPANIES BY DESIGN MR DAVIES AND MR SINGH WOULD HAVE TIER 1 OBTAIN FURTHER PUBLIC INVESTMENTS, TIER 1 RAISED FUNDS FROM REAL PEOPLE ON THE BASIS THAT THE FUNDS WOULD BE LENT TO A DEVELOPER ON A SECURED BASIS TO FUND A BUILDING. BUT INSTEAD, SINGH AND DAVIES USED NEW FUNDS TO PAY ACCRUING INTEREST ON EARLIER INVESTMENTS IN OTHER OF THE 11 COMPANIES, THAT IS CALLED A PONZI SCHEME.

THIS IS JUST A MOTION EARLY IN THE CASE, SO HOW CAN I SAY THIS SO DEFINITELY? MR DAVIES PREPARED A 2 PAGE EXPLANATION OF HOW HIS FINANCIAL MODEL WORKS. IT IS SHOCKING IN ITS CLARITY OF A DESCRIPTION OF AN ILLICIT, FRAUDENT SCHEME WITHOUT MR DAVIES SEEMINGLY HAVING THE LEAST BIT OF COMPUNCTION ABOUT IT.

MR KRAFT NOTLY TRIED ON SEVERAL ANSWERS. FIRST HE ARGUED THAT THE RECEIVER'S

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

ANALYSIS & ITS FAILURE TO SUE MR SINGH
GIVING AN AIR OF PLAUSIBILITY TO MR
DAVIES' ALLEGATIONS. THIS CANNOT SURVIVE
THE CLEAR ADMISSIONS IN MR DAVIES OWN
HAND & X-CHART.

MR KRAFT ARGUES THAT MR SINGH
CONSENTED SO THAT THE DEVELOPERS DID NOT
BREACH THEIR LOAN AGREEMENTS WITH TIER 1
IN MAKING THE VARIOUS DISTRIBUTIONS AND
SUPPORTED LOANS THAT THEY MADE. WHILE NOT
NAMED, SINGH IS NOT ARM'S LENGTH, I DOUBT
HE COULD UNILATERALLY GIVE A VALID CONSENT
GIVEN HIS PERSONAL CONFLICTS OF INTEREST. REGARDLESS,
THE CLAIMS AGAINST DAVIES ARE BROUGHT BY
THE DEVELOPER COMPANIES. DAVIES IS SAID TO
HAVE COMMITTED FRAUD ON THEM AND BREACHED HIS
FIDUCIARY DUTIES TO THEM BY DECLARING DIVIDENDS,
PAYING HIMSELF FRONT-END LOANED FEES, PAYING
HIMSELF ABOVE-MARKET SALARY AND LENDING
FUNDS OF EACH DEVELOPER TO HIS OTHER 10

Page 5 of 10

Judges Initials _____

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

INSOLVENT, ~~AND~~ SIMILARLY CASH-STRAPPED
DEVELOPER COMPANIES. WITH OVER \$100 MILLION
RAISED ~~AND~~ AND SPENT, THERE ARE NO BUILDINGS.
MR SINGH AND MR DAVIES HAVE E-MAILS IN
WHICH THEY PLAINLY KNOW THE COMPANIES ARE
INSOLVENT AND DESPERATELY LOOK FOR CASH TO
AVOID AN INTEREST DEFAULT THAT WOULD
TRIGGER A FSCO REPORT AND WOULD BRING UP
FUTURE INVESTMENT NEEDED TO SUPPORT THE
POND SCHEME. IN ADDITION ~~TO~~ THE RECEIVER
FAIRLY SUBmits THAT THE INTER-COMPANY
UNSECURED LOANS FROM ONE CASH-STRAPPED
INSOLVENT TO ANOTHER WERE NOT REAL LOANS.
THERE WAS NO EXPECTATION OF REPAYMENT.
TAYLOR WERE PAYMENTS TO KEEP THE POND ALIVE
A BIT LONGER.

MR KRAFT SAYS MR DAVIES MIGHT JUST
HAVE BEEN A POOR DEVELOPER. PERHAPS MR KRAFT
HYPOTHESIZED HE SHOULD HAVE STOPPED AFTER
A FEW BUILDINGS HIT ^{ROCKY} ~~ROCKY~~ TIMES. BUT HE

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

DIDN'T AND THAT'S THE POINT. AN HONEST
BUT LOUSY DEVELOPER WOULD NOT HAVE GONE ALONG
TO 10 OR 11 PROJECTS WITH EACH CONTRIBUTING
17% NEW INVESTMENT TO OLD DEBT. MR DAVIES
SAID ON X-6244 THAT HE EXPECTED CONSTRUCTION
FINANCING TO FILL THE EVER-INCREASING DEBT
PIT. THAT MAKES NO SENSE AT ALL. CONSTRUCTION
FINANCING IS USED TO BUILD NOT TO RE-PAY
OLD DEBT INCURRED TO FUND FRONT-END LOADED
CASH STRIPPING BY DAVIES & COHORTS.

IN ADDITION DAVIES OFFERS NO INNOCENT
EXPLANATION DESPITE MR KRAFT'S CREATIVE EFFORTS
TO FIND ONE. MR DAVIES DOES NOT SAY HE DID
A POOR JOB OR ^{THAT} ~~AS~~ SOME IDENTIFIED CIRCUMSTANCES
IN THE MARKET CAUSED DELAYS OR INCREASED COSTS.
INSTEAD, HE SAYS ^{THAT} ONLY HE UNDERSTANDS HOW
THE DEVELOPMENT INDUSTRY WORKS. HE SAYS HE
WAS DOING WHAT PEOPLE IN THE INDUSTRY DO
TO KEEP COMPANIES GOING DURING DEVELOPMENT.
NOT THE HONEST ONES.

Page 7 of 10

Judges Initials _____

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

MR KRAFT AGREES THAT THERE IS NO RISK OF DISSIPATION AS THE DANIELS HAVE NO ASSETS OF VALUE. THEY HAVE RECENTLY SOLD THE COTTAGE. THEY HAVE LISTED ~~THEIR~~ THEIR HOUSE FOR SALE DESPITE THE EXISTENCE OF A MARCUA INJUNCTION AGREEMENT. THEY ARE LIVING WELL DESPITE A MARCUA WITH FUNDS BEING ADVANCED FROM THE ARCHITECT ON THE PROJECT. THERE IS A SUBSTANTIAL HOUSE IN AZ OWNED BY THE TWO TRUSTS THAT THE TRUSTEES UNDERTAKE NOT TO SELL. BUT THEY ARE NOT WILLING TO PUT AN ORDER ON TITLE. THE RECEIVER HAS SHOWN A PRIMA FIDE ABILITY TO TRACE CORPORATE FUNDS INTO BOTH PROPERTIES. THE ARCHITECT'S LARGESSE SUGGESTS THAT THERE MAY WELL BE HIDDEN POOLS OF FUNDS YET UNDISCOVERED. I HAVE NO HESITATION FINDING A PROVEN RISK OF DISSIPATION GIVEN THE LISTING OF THE HOUSE ~~IN~~ IN FACE OF A MARCUA. I MAKE DISSIPATION AND LIKELY FLIGHT TO AZ IN LIGHT OF THE DEGREE OF DICHONG577 AND THE LIQUIDATION OF

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

THE DAVES' REAL BUSTLE.

IN MY VIEW THIS IS A CASE TO
WARRANT AN UNDERTAKING ON DAMAGES IN
ACCORDANCE WITH THE COURT'S DISCRETION. THE
RECOVERER HAS NO SKIN IN THE GAME. TO GO TO
THE GOVERNMENT OR TO INVESTORS TO FUND THESE
PROCEEDINGS IS AN AFFRONT TO ACCESS TO JUSTICE.
PEOPLE INVESTED THEIR SAVINGS AND RETIREMENTS
AND IT SO FAR HAS TAKEN TWO RECEIVERS AND
MULTIPLE COURT PROCEEDINGS TO PEEL BACK
ENOUGH LAYERS OF THE ONION TO LET THE
WEEPING JUST BEGIN. WHEN I ASKED MR
KRAFT ~~WHY~~ WHY THERE ARE NO BUILDINGS BUILT
WITH \$100 MILLION OF INVESTORS MONEY HE
SAID "THE MONEY WAS SPENT." MR DAVES
MADE NO EXPLANATION AT ALL BEYOND BLAMING
ESTO FOR SHUTTING HIS PIPELINE TO GET FURTHER
FUNDING FROM THE PUBLIC AT A TIME WHEN THE
7 ~~DEVELOPERS~~ DEVELOPERS HAD AN AGGREGATE
OF \$17,000 APPROXIMATELY IN THE BANK. WHILE

Court File Number: _____

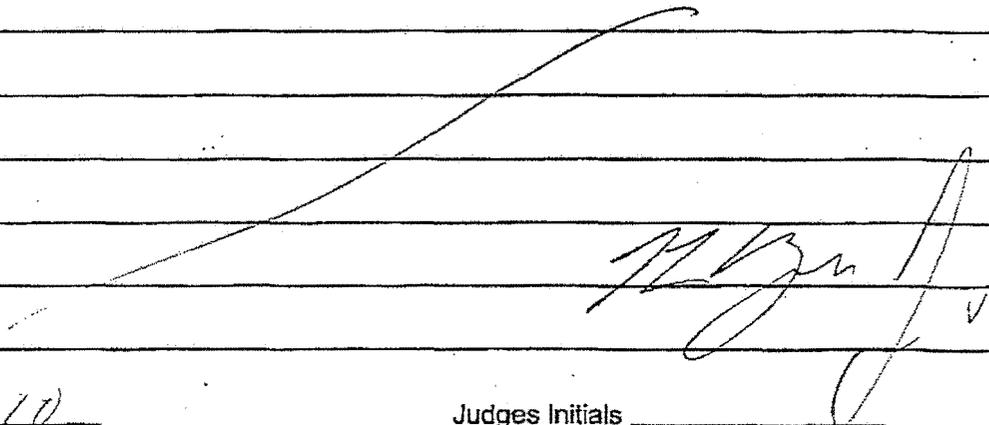
Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

THE AS MAY SUFFER DAMAGE FROM THE MAREVA
IF THEY WIN AT TRIAL, SO FAR IT HAS NOT
DAMPENED THEIR LIFESTYLES. FURTHER, GIVEN THE
STRENGTH OF THE CASE IN DAVIES OWN VOICE,
BALANCING ACCESS TO JUSTICE CONCERNS LEADS
ME TO THE VIEW THAT THIS IS A RARE AND
UNUSUAL CASE WHERE RECOVERING AN UNOBTAINABLE
WILL DO MORE HARM THAN GOOD.

COSTS TO BE ON A SUBSTANTIAL
INDemnITY BASIS IN LIGHT OF THE
ADMITTED DISHONEST SCHEME PERPETRATED
BY MR DAVIES FOR THE AS ON THE DEVELOPER
COMPANIES AND THEIR CREDITORS.



TAB A

July 17, 2017

For endorsement attached, order to go. Despite the Orders set out in the attached endorsement Mrs. Davies is authorized and allowed to access and spend up to an aggregate amount of \$25,000 to retain counsel and sustain herself in the interim period.

Aug 30, 2017

The plaintiffs have the burden of establishing an entitlement to a Mareva injunction. I agree with Mr. Kraft that execution before judgment is a rare, extraordinary exception to the norm. It should not be available when the defendants have a plausible acceptable defence. Conversely, it should only be available where Plaintiff is clearly likely to succeed and there is evidence of a real risk of dissipation of assets by Defendant.

Order to go as asked

Plaintiff, the Receiver of 7 developers, sues John Davies and others – a principal manager and owner of the developers or their parent companies, for fraud, breach or fiduciary duty, conversion and other causes of action. The essence of the claims is that the developers raised money from the public through Tier 1 companies owned or run by Mr. Singh. Mr. Singh's companies lent the investors' funds to the developers ostensibly on a secured basis to fund the construction of 7 separate projects. Singh's companies took a 25% fee. Singh is also a shareholder of some of the project companies or their parent companies with Davies and his other cohorts.

The money was not used to build any buildings. Footings have started on 1 project and 1 project is said to be near construction. Instead of using the funds for each corporation's corporate purpose, Mr. Davies paid himself and cohorts fees and dividends. Worse still, funds were lent among the companies (and 5 others) on an unsecured basis to meet interest obligations due on those companies borrowings from Tier 1 (for the public investors). Mr. Davies admitted on cross-examination that each developer had serious cash flow issues as soon as its funds were raised. That is, after fees, compensation to Tier 1, dividends, salaries and 1 year of interest held in reserve, each company had insufficient funds to pay interest after the year and, significantly, to build a building.

This was apparent on day one. To answer the systemic cash drain built into the companies by design, Mr. Davies and Mr. Singh would have Tier 1 obtain further public investments. Tier 1 raised funds from real people on the basis that the funds would be lent to a developer on a secured basis to fund a building. But instead, Singh and Davies used new funds to pay accruing interest on earlier investments in other of the 11 companies. That is called a Ponzi scheme.

This is just a motion early in the case, so how can I say this so definitively? Mr. Davies prepared a 2 page explanation of how his financing model works. It is shocking in its clarity of a description of an illicit, fraudulent scheme without Mr. Davies seemingly having the least bit of compunction about it.

Mr. Kraft nobly tried on several answers. First he argued that the Receiver's analysis and its failure to sue Mr. Singh give an air of plausibility to Mr. Davies' righteousness. This cannot survive the clear admissions in Mr. Davies own hand and cross-examination.

Mr. Kraft argues that Mr. Singh consented so that the developers did not breach their loan agreements with Tier 1 in making the various distributions and supposed loans that they made. While not

named, Singh is not arm's length. I doubt he could unilaterally give a valid consent given his personal conflicts of interest. Regardless, the claims against Davies are brought by the developer companies. Davies is said to have committed fraud on them and breached his fiduciary duties to them by declaring dividends, paying himself front-end loaded fees, paying himself above-market salary and lending funds of each developer to his other 10 insolvent, similarly cash-strapped developer companies. With over \$100 million raised and spent, there are no buildings! Mr. Singh and Mr. Davies have e-mails in which they plainly know the companies are insolvent and desperately took for cash to avoid an interest default that would trigger a FSCO report and would dry up future investment needed to support the Ponzi scheme. In addition, the Receiver fairly submits that the inter-company unsecured loans from one cash-strapped insolvent to another were not real loans. There was no expectation of repayment. They were payments to keep the Ponzi alive a bit longer.

Mr. Kraft says Mr. Davies might just have been a poor developer. Perhaps, Mr. Kraft hypothesized, he should have stopped after a few buildings hit rocky times. But he didn't and that's the point. An honest but lousy developer would not have gone along to 10 or 11 projects with each contributing its new investment to old debt. Mr. Davies said on cross-examination that he expected construction financing to fill the ever-increasing debt pit. That makes no sense at all. Construction financing is used to build, not to re-pay old debt incurred to fund front-end loaded cash stripping by Davies and cohorts.

In addition, Davies offers no innocent explanation despite Mr. Kraft's creative efforts to find one. Mr. Davies does not say he did a poor job or that some identified circumstances in the market caused delays or increased costs. Instead, he says that only he understands how the development industry works. He says he was doing what people in the industry do to keep companies going during development. Not the honest ones.

Mr Kraft argues that there is no risk of dissipation as the Davies have no assets of value. They have recently sold the cottage. They have listed their house for sale despite the existence of a Mareva injunction already. They are living well despite a Mareva with funds being advanced from the architect on the projects. There is a substantial house in Arizona owned by the two trusts that the Trustees undertake not to sell. But they are not willing to put an order on title. The Receiver has shown a *prima facie* ability to trace corporate funds into both properties. The architect's largesse suggests that there may be hidden pools of funds yet undiscovered. I have no hesitation finding a proven risk of dissipation given the listing of the house in face of a Mareva. I infer dissipation and likely flight to Arizona in light of the degree of dishonesty and the liquidation of the Davies' real estate.

In my view this is a case to waive an undertaking on damages in accordance with the Court's discretion. The Receiver has no skin in the game. To go to the government or to investors to fund these proceedings is an affront to access to justice. People invested their savings and retirements and it so far has taken two Receivers and multiple court proceedings to peel back enough layers of the onion to let the weeping just begin. When I asked Mr. Kraft why there are no buildings built with \$100 million of investors' money, he said, "The money was spent." Mr. Davies made no explanation at all beyond blaming FSCO for shutting his pipeline to yet further funding from the public at a time when the 7 developers had an aggregate of \$17,000 approximately in the bank. While the Defendants may suffer damage from the Mareva if they win at trial, so far it has not dampened their lifestyles. Moreover, given the strength of the case in Davies' own voice, balancing access to justice concerns leads me to the view that this is a rare and unusual case where requiring an undertaking will do more harm than good.

Costs to Plaintiff on a substantial indemnity basis in light of the admitted dishonest scheme perpetrated by Mr. Davies for the Defendants on the developer companies and their creditors.

TAB 4

Court File No. CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE MYERS)

TUESDAY, THE 3rd DAY
OF OCTOBER, 2017



BETWEEN:

**KSV KOFMAN INC., IN ITS CAPACITY AS RECEIVER AND
MANAGER OF CERTAIN PROPERTY OF SCOLLARD
DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS
(KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE)
LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD.,
TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555
PRINCESS STREET) INC.**

Plaintiff

-and-

**AEOLIAN INVESTMENTS LTD., JOHN DAVIES IN HIS PERSONAL
CAPACITY AND IN HIS CAPACITY AS TRUSTEE OF BOTH THE
DAVIES ARIZONA TRUST AND THE DAVIES FAMILY TRUST,
JUDITH DAVIES IN HER PERSONAL CAPACITY AND IN HER
CAPACITY AS TRUSTEE OF THE DAVIES FAMILY TRUST, AND
GREGORY HARRIS SOLELY IN HIS CAPACITY AS TRUSTEE OF THE
DAVIES FAMILY TRUST**

Defendants

ORDER

ON READING the costs submissions of both the plaintiff and the defendants, John
Davies, Judith Davies and Aeolian Investments Ltd. (the "**Defendants**"), and all of the motion
materials, filed:

1. **THIS COURT ORDERS** that the Defendants shall, jointly and severally, pay the plaintiff its costs in the all-inclusive amount of \$61,782.82 within 30 days of the date of this Order.



Angelique Palmer
Superior Court of Justice

OCT 10 2017

ENTERED AT : INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 06 2017

PER / PAR:



**KSV KOFMAN INC. in its capacity as Receiver and Manager of
Certain Property of Scollard Development Corporation, et al.**
Plaintiff

v.

JOHN DAVIES et al.

Defendants

Court File No: CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

ORDER

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto ON M5X 1A4

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Email: bellj@bennettjones.com

Facsimile: (416) 863-1716

Lawyers for the Plaintiff

TAB 5

FILE/DIRECTION/ORDER

BEFORE JUDGE MYERS ACTION # CV-17-11822-CL

KSV KOFMAN INC. et al
Plaintiff(s)

-v-

AEOLIAN INVEST. LTD et al.
Defendant(s)

CASE MANAGEMENT: YES [] NO []

COUNSEL: _____ PHONE NO. _____
_____ PHONE NO. _____
_____ PHONE NO. _____

[] ORDER [] DIRECTION FOR REGISTRAR
[] REPORTED SETTLED ADJOURNED TO TRIAL SCHEDULING COURT _____
[] NO ONE APPEARED ADJOURNED TO TO BE SPOKEN TO COURT _____

THE DS OBJECT TO MY ENDORSEMENT AWARDEDING
SUBSTANTIAL INDEMNITY COSTS TO TS BEFORE
THEY HAD AN OPPORTUNITY TO MAKE SUBMISSIONS.
THE COSTS AWARD IS SET ASIDE.
I HAVE THE DS' SUBMISSIONS NOW ON THE
MERITS. THEY ARGUE THAT COSTS SHOULD BE
IN THE CASE TO AVOID ENDING THE LITIGATION.

DATE _____

JUDGE'S SIGNATURE _____

FILE DIRECTION/ORDER - page ___ of ___

Court File Number: _____

MR. DAVIES' EVIDENCE IS THAT HE HAS NO ASSETS TO FUND AN ORDER FOR COSTS. BUT THAT'S THE WHOLE POINT OF THE LITIGATION. THE ALLEGES THAT HE IMPROPERLY DEALT WITH INVESTOR FUNDS TO ENRICH HIMSELF, HIS FAMILY, THEIR TRUSTS, AND OTHERS RATHER THAN BUILDING BUILDINGS. ALTHOUGH HE DISPUTES THE MERITS, I FOUND THAT HIS OWN DESCRIPTION OF HIS BUSINESS MODEL WAS ASKIN TO A PONZI SCHEME. I FOUND THAT THERE WAS A REAL RISK OF ~~ASSETS~~ DISSIPATION OF ASSETS GIVEN THAT HE & MRS. DAVIES HAVE SOLD THEIR COTTAGE AND TRIED TO SELL THEIR HOUSE IN FALC OF THE MARINA INJUNCTION. THE FACTS THAT CORPORATE FUNDS MAY NOW BE IN A PROPERTY IN AZ. IN THE NAME OF A TRUST AND THAT MR DAVIES IS SO FORTUNOUS TO HAVE A WILLING LEADER - WHO ADVANCES FUNDS TO HIM DESPITE HIS

DATE: _____

JUDGE'S SIGNATURE _____

FILE DIRECTION/ORDER - page ___ of ___

Court File Number: _____

ALLEGED LACK OF ASSETS - AND THAT THE LENDER IS NOT A BANK OR A FINANCIAL PLAYER BUT JUST HAPPENS TO BE THE ARCHITECT OF NON-BUILT BUILDINGS - WAS MORE THAN SUSPICIOUS.

MR DAVIES ARGUES THAT HE HAS COMMITTED NO REPREHENSIBLE CONDUCT TO ATTRACT A PUNITIVE LEVEL OF COSTS. I DO NOT AGREE. THE EVIDENCE

AGAINST HIM RAISES A STRONG CASE THAT ~~HE~~ HIS DEFENCE IS A SHAM AND HIS BEHAVIOUR INDEED IS SCANDALOUS. IN FACT THERE IS A PUBLIC SCANDAL THAT HAS RECEIVED NOTARIETY.

I DO NOT ACCEPT THAT MR DAVIES DOES NOT HAVE ACCESS TO FUNDS TO PAY A COSTS AWARD. HE HAS NOT SOUGHT TO LIFT THE MAREVA TO FUND LEGAL OR LIVING EXPENSES DESPITE SEVERAL MONTHS UNDER ITS TERMS. HIS ABILITY TO BORROW AND PAY LIVING AND

DATE: _____

JUDGE'S SIGNATURE _____

FILE DIRECTION/ORDER - page ___ of ___

Court File Number: _____

LEGAL EXPENSES APPEARS TO RELIE COUNSEL'S
SUBMISSION.

I DO NOT SEE THIS AS A CLOSE CALL.
THE THRUST OF DS' SUBMISSIONS IS TO RE-
ASSET BVIDENCE THAT I REJECTED ON THE
MERITS ALREADY.

I HAVE APPROACHED THE MATTER ANEW
BUT FIND MYSELF REACHING THE SAME

CONCLUSION BASED ON (a) MY FINDINGS ON
THE MOTION; (b) CONSIDERING DS' SUBMISSIONS;
AND (c) CONSIDERING s.131 CJA R.57.01,
AND ROUCHER CONSIDERATIONS - ESPECIALLY
ACCESS TO JUSTICE FOR ALL INTERESTED
PARTIES.

THE TT RELIES AS WELL ON MR DAVES'
EFFORTS TO DENY LIABILITY INCLUDING PRODUCING
NEW VERSIONS OF FINANCIAL RECORDS THAT DIFFER
FROM CONTEMPORANEOUS RECORDS AS AN INDICATION

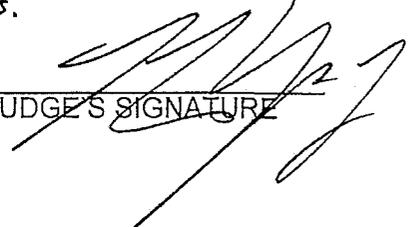
DATE: _____

JUDGE'S SIGNATURE

FILE DIRECTION/ORDER - page ___ of ___

Court File Number: _____

THAT HIS RESPONSE TO THE MOTION UNREASONABLY
 RAISED COSTS AND LENGTHENED THE LITIGATION.
 IT POINTS ^{OUT} AS WELL THAT IT HAS CALCULATED
 ITS COSTS AT 50% RATHER THAN 90%
 OF FULL FEES AS IS ALLOWED FOR SUBSTANTIAL
 INDEMNITY CLAIMS. THE AWARD IS THEREFORE A
 HYBRID RATHER THAN A MAXIMUM. FINALLY
 I ~~BE~~ ACCEPT THAT THE RECEIVER/IT HAD TO
 PERFORM VERY SUBSTANTIAL EFFORT TO
 UNWIND THE FINANCIAL WEB WOVEN BY
 MR DAVIES IN THE BORROWER CORPORATIONS
 AND THEIR DEALINGS WITH THE AS. IN THE
 CIRCUMSTANCES COSTS ~~WAS~~ CLAIMED OF
 \$61,782.82 all-in ~~ARE~~ ARE FAIR AND REASONABLE.
 COSTS OF \$61,782.82 ARE PAYABLE BY
 JOHN DAVIES, JUDITH DAVIES, AND AEOLIAN
 INVESTMENTS LTD JOINTLY AND SEVERALLY TO
 THE TF FIXED AT \$61,782.82 ALL-IN PAYABLE
 WITHIN 30 DAYS. UNLIKE MY PRIOR ORDER, NO COSTS
 ARE AWARDED AGAINST THE OTHER AS.

DATE: Oct 3/17

 JUDGE'S SIGNATURE

TAB A

The Defendants object to my endorsement awarding substantial indemnity costs to the Plaintiffs before they had an opportunity to make submissions. The costs award is set aside. I have the Defendants' submissions now on the merits. They argue that costs should be in the cause to avoid ending the litigation.

Mr. Davies' evidence is that he has no assets to fund an order for costs. But that's the whole point of the litigation. Plaintiffs allege that he improperly dealt with investor funds to enrich himself, his family, their trusts, and others rather than building buildings. Although he disputes the merits, I found that his own description of his business model was akin to a Ponzi scheme. I found that there was a real risk of dissipation of assets given that he and Mrs. Davies have sold their cottage and tried to sell their house in face of the Mareva injunction. The facts that corporate funds may now be in a property in Arizona in the name of a trust and that Mr. Davies is so fortuitous to have a willing lender – who advances funds to him despite his alleged lack of assets – and that the lender is not a bank or a financial player but just happens to be the architect of non-built buildings – was more than suspicious.

Mr. Davies argues that he has committed no reprehensible conduct to attract a punitive level of costs. I do not agree. The evidence against him raises a strong case that his defence is a sham and his behaviour indeed is scandalous. In fact there is a public scandal that has received notoriety.

I do not accept that Mr. Davies does not have access to funds to pay a costs award. He has not sought to lift the Mareva to fund legal or living expenses despite several months under its terms. His ability to borrow and pay living and legal expenses appears to belie counsel's submission.

I do not see this as a close call. The thrust of Defendants' submissions is to re-assert evidence that I rejected on the merits already.

I have approached the matter anew but find myself reaching the same conclusion based on (a) my findings on the motion; (b) considering Defendants' submissions; and (c) considering S.131 CJA, R.57.01, and Boucher considerations – especially access to justice for all interested parties.

The Plaintiff relies as well on Mr. Davis' efforts to deny liability including producing new versions of financial records that differ from contemporaneous records as an indication that his response to the motion unreasonably raised costs and lengthened the litigation. It points out as well that it has calculated its costs at 80% rather than 90% of full fees as is allowed for substantial indemnity claims. The award is therefore a hybrid rather than a maximum. Finally I accept that the Receiver/Plaintiff had to perform very substantial effort to unbundle the financial web woven by Mr. Davies in the Borrower Corporations and their dealings with the Defendants. In the circumstances, costs claimed of \$61,782.82 all-in are fair and reasonable. Costs of \$61,782.82 are payable by John Davies, Judith Davies, and Aeolian Investments Ltd jointly and severally to the Plaintiff fixed at \$61,782.82 all-in payable within 30 days. Unlike my prior order, no costs are awarded against the other Defendants.

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE MYERS

)
)
)

MONDAY, THE 17th
DAY OF JULY, 2017



**KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiff

- and -

JOHN DAVIES AND AEOLIAN INVESTMENTS LTD.

Defendants

ORDER

NOTICE

If you, the defendants and intended defendants, John Davies in your personal capacity and in your capacity as trustee and/or representative of both the Davies Arizona Trust and the Davies Family Trust (in all such capacities, "**Mr. Davies**"), Judith Davies in your personal capacity and in your capacity as trustee and/or representative of the Davies Family Trust (in all such capacities, "**Ms. Davies**"), Gregory Harris solely in your capacity as trustee and/or representative of the Davies Family Trust ("**Mr. Harris**") and Aeolian Investments Ltd. ("**Aeolian**" and, collectively with Mr. Davies, Ms. Davies and Mr. Harris, the "**Defendants**"), disobey this order, you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least twenty-four (24) hours notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made on notice by the Plaintiff, KSV Kofman Inc. (“KSV” or the “Receiver”), solely in its capacity as receiver and manager of certain property of Scollard Development Corporation, Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., 1703858 Ontario Inc., Legacy Lane Investments Ltd., Textbook (525 Princess Street) Inc. and Textbook (555 Princess Street) Inc. and not in its personal capacity or in any other capacity, for an interlocutory Order (in the case of Mr. Davies in his personal capacity and Aeolian) and an interim Order (in the case of Mr. Davies in his capacity as trustee and/or representative of the Davies Family Trust and the Davies Arizona Trust, Ms. Davies and Mr. Harris) both in the form of a worldwide *Mareva* injunction restraining the Defendants from dissipating their assets and other relief, was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, KSV’s Fourth Report dated June 6, 2017 with the appendices thereto, KSV’s Sixth Report dated July 12, 2017 with the appendices thereto, the factum and book of authorities of the Plaintiff, and the affidavit of Mr. Davies sworn July 14, 2017,

AND ON HEARING the submissions of counsel for the Plaintiff and counsel for Mr. Davies, Aeolian and Ms. Davies, with Mr. Harris’s counsel having advised that he takes no position on the motion,

Service

1. **THIS COURT ORDERS** that service of the Notice of Motion, Motion Record, Factum and Book of Authorities is hereby abridged and validated.

Mareva Injunction

2. **THIS COURT ORDERS** that the Defendants and, as applicable, their respective servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate worldwide, including but not limited to the assets and accounts listed in Schedule “A” hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and
- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

3. **THIS COURT ORDERS** that paragraph 1 applies to all of the Defendants' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Defendants' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

4. **THIS COURT ORDERS** that if the total value free of charges or other securities of the Defendants' assets worldwide exceeds \$9,039,740, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants' assets worldwide remains above \$9,039,740.

Ordinary Living Expenses

5. **THIS COURT ORDERS** that Ms. Davies, in her personal capacity, is hereby authorized and permitted to access and spend up to an aggregate amount of \$25,000 for ordinary living expenses and legal advice and representation.

6. **THIS COURT ORDERS** that the Defendants may apply for an order, on at least twenty-four (24) hours notice to the Plaintiff, specifying the amount of funds which they are entitled to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

7. **THIS COURT ORDERS** that Mr. Davies (solely in his capacity as trustee and/or representative of both the Davies Family Trust and the Davies Arizona Trust), Ms. Davies and Mr. Harris prepare and provide to the Plaintiff within five (5) days of the date of service of this Order, sworn statements describing the nature, value, and location of their assets worldwide, whether in their own name or not and whether solely or jointly owned.

8. **THIS COURT ORDERS** that Mr. Davies (solely in his capacity as trustee and/or representative of both the Davies Family Trust and the Davies Arizona Trust), Ms. Davies and Mr. Harris submit to examinations under oath within two (2) days of the delivery of the aforementioned sworn statements.

9. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate Mr. Davies (in his capacity as trustee and/or representative of both the Davies Family Trust and the Davies Arizona Trust), Ms. Davies and Mr. Harris, they may be entitled to refuse to provide it, but are recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 5 herein is contempt of court and may render the Defendants liable to be imprisoned, fined, or have their assets seized.

Third Parties

10. **THIS COURT ORDERS** Royal Bank of Canada, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Bank of Montreal, National Bank of Canada, Laurentian Bank of Canada, Tangerine Bank, President's Choice Bank, JP Morgan

Chase and all other banks, credit unions, trusts, financial institutions and financial services companies, whether in Canada or elsewhere, including all of their respective affiliates and branches (collectively, the "Banks"), to forthwith freeze and prevent any removal or transfer of monies or assets of the Defendants held in any account or on credit on behalf of the Defendants, with the Banks, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

11. **THIS COURT ORDERS** that the Banks forthwith disclose and deliver up to the Plaintiff any and all records held by the Banks concerning the Defendants' assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate worldwide, held on behalf of the Defendants by the Banks.

Alternative Payment of Security into Court

12. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendants provide security by paying the sum of \$9,039,740 into Court, and the Accountant of the Superior Court of Justice is hereby directed to accept such payment.

Dispensing with Requirement of Rule 40.03

13. **THIS COURT ORDERS** that the requirements of Rule 40.03 of the *Rules of Civil Procedure* shall be and are hereby dispensed with pending further Order of this Court.

Extra-Territorial Application

14. **THIS COURT ORDERS** that, insofar as this Order purports to have any effect outside of the territorial jurisdiction of this Court, no person shall be affected by it or concerned by the terms of it until this Order is declared enforceable or registered or enforced by a foreign court of competent jurisdiction for that purpose, unless that person is:

- (a) a party to this action or any agent of a party to this action; or
- (b) a person who is subject to the judicial jurisdiction of this Court, who has received written notice of this Order within the territorial jurisdiction of this Court.

Extra-Territorial Assistance

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

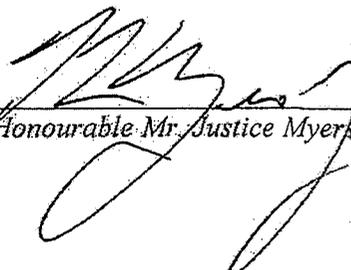
Variation, Discharge or Extension of Order

16. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to the Court at any time to vary or discharge this Order, on four (4) days notice to the Plaintiff.

17. **THIS COURT ORDERS** that this Order shall remain in full force and effect until August 31, 2017, unless varied or amended by further Order of this Court. The making of this Order is without prejudice to any argument that the Defendants may make on a motion moving to set aside this Order prior to that time and on a schedule to be agreed to by the parties.

Costs

18. **THIS COURT ORDERS** that the costs of this motion are reserved to a Judge hearing the action on the merits.


The Honourable Mr. Justice Myers

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 17 2017

PER / PAR: 

SCHEDULE "A"

ACCOUNTS			
BANK	ADDRESS	ACCOUNT NO.	ACCOUNT HOLDER
Royal Bank of Canada	Aurora-Yonge & Edward Branch, 14785 Yonge St-Unit 101, 14785 Yonge St, Aurora, ON L4G 1N1	00442 101 3069	Aeolian Investments Ltd.
JP Morgan Chase Bank, N.A.	270 Park Avenue, New York, NY, 10017	939712261	Davies Arizona Trust
Toronto Dominion Bank	TBD	TBD	Judith Davies

REAL PROPERTY		
MUNICIPAL ADDRESS	PROPERTY PIN	LEGAL DESCRIPTION
24 Country Club Drive King City, ON L7B 1M5	29530-0018 (LT)	UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK I PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
35411 N. 66th Place, Carefree, Arizona, USA, 85377 -and/or- 35410 N. Ridgeway Drive, Carefree, Arizona, USA, 85377	APN 216-32-102	PARCEL 1: LOT 17, CAREFREE GRAND VIEW ESTATES UNIT I, ACCORDING TO BOOK 224 OF MAPS, PAGE 26, RECORDS OF MARICOPA COUNTY, ARIZONA. PARCEL2: AN EASEMENT FOR INGRESS AND EGRESS AND PUBLIC UTILITIES, APPURTENANT TO PARCEL

REAL PROPERTY		
MUNICIPAL ADDRESS	PROPERTY PIN	LEGAL DESCRIPTION
		NO. 1, AS SET FORTH IN INSTRUMENT RECORDED IN DOCKET 14945, PAGE 461 AND IN DOCKET 14945, PAGE 464, RECORDS OF MARICOPA COUNTY, ARIZONA, OVER ALL THE PRIVATE ROADS IN CAREFREE GRAND VIEW ESTATES I, ACCORDING TO BOOK 224 OF MAPS, PAGE 26, BOULDER VISTA ESTATES, ACCORDING TO BOOK 227 OF MAPS, PAGE 35; AND CAREFREE GRAND VIEW ESTATES II, ACCORDING TO BOOK 228 OF MAPS, PAGE 2, RECORDS OF MARICOPA COUNTY, ARIZONA.

**KSV KOFMAN INC. in its capacity as Receiver and Manager of
Certain Property of Scollard Development Corporation, et al.**
Plaintiff

v.

JOHN DAVIES et al.

Defendants

Court File No: CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

ORDER

BENNETT JONES LLP

3400 One First Canadian Place
P.O. Box 130
Toronto ON M5X 1A4

Sean Zweig (LSUC#57307I)

Phone: (416) 777-6254
Email: zweigs@bennettjones.com

Jonathan Bell (LSUC#55457P)

Phone: (416) 777-6511
Email: bellj@bennettjones.com

Facsimile: (416) 863-1716

Lawyers for the Plaintiff

TAB 7

KSV KOFMAN INC. in its capacity as Receiver and Manager of
Certain Property of Scollard Development Corporation, et al.
Plaintiff

JOHN DAVIES et al.

Defendants

Court File No: CV-17-11822-00CL

July 17/17

July 17/17

For Endorsed attached, order to go.
Despite the Certiorari set out in the
attached Endorsed Mr. Davies is
authorised and ~~allowed~~ allowed
to access all speed up to an
aggregate amount of \$25,000
to return covered and sustain brief
in the interim period.

[Handwritten signature]

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(Motion for an Extension of the Mareva Injunction –
Returnable July 17, 2017)
Volume I of II

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto ON M5X 1A4

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Phone: (416) 777-6254
Email: zweigs@bennettjones.com

Jonathan Bell (LSUC#55457P)
Phone: (416) 777-6511
Email: bellj@bennettjones.com

Facsimile: (416) 863-1716

Lawyers for the Plaintiff



Superior Court of Justice

(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario
M5G 1E6

(Court office address)

Endorsement



Date	Applicant(s):	<input type="checkbox"/> Present
	Counsel KSV... INC. et al.	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel
	Respondent(s):	<input type="checkbox"/> Present
	Counsel JOHN DAVIES et al.	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel

Order to go in accordance with minutes of settlement or consent filed.

THE COURT PREVIOUSLY FOUND A SUFFICIENTLY STRONG PRIMA FACIE CASE EXISTS AGAINST THE DEFENDANTS TO JUSTIFY EXTRAORDINARY PRETRIAL INJUNCTIVE RELIEF ISSUED AGAINST THEM. A VERY SUBSTANTIAL AMOUNT OF MONEY INVESTED BY PUBLIC SHAREHOLDERS APPEARS TO HAVE BE MISAPPROPRIATED AT FIRST GLUSH. WHETHER THAT CONCLUSION CHANGES AS THE MATTER PROGRESSES WILL BE DETERMINED AT A LATER DATE.

THE DS CONSENT TO A BRIEF CONTINUATION OR THE STAREVA INJUNCTION WITH NO ADMISSION THAT IT IS PROPER BUT MERELY TO ALLOW FOR A SCHEDULED, EFFICIENT HEARING & PROCEED FOR HIS INTENDED MOTION TO SET THE INJUNCTION ASIDE. THE CONSENT THEREFORE IS WHOLLY WITHOUT PREJUDICE TO THE DS

1/2

Superior Court of Justice

(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario
M5G 1E6

(Court office address)

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Endorsement

Date	Applicant(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel
	Respondent(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel

Order to go in accordance with minutes of settlement or consent filed.

IT CANNOT BE USED TO ANSWER ANY LATER
MOTIONS THAT THEY MAKE.

THE RECEIVER ASKS TO EXTEND THE ORDER
TO JUDITH DAVIES PERSONALLY AND SAH AND
TWO OTHERS AS TRUSTEES. THE RECEIVER HAS
DEMONSTRATED THAT FUNDS FROM THE PUBLIC
INVESTORS THAT ARE SUBJECT TO THE CLAIMS
AGAINST BE WE GIVEN TO MRS DAVIES AND
ALL 3 TRUSTEES. AMONG OTHER THINGS,
ALLEGEDLY MISAPPROPRIATED FUNDS ARE
ADMITTED BY JUDITH DAVIES TO HAVE BEEN
USED TO BUY AND RENOVATE THE HOME IN
ARIZONA THAT WAS PURCHASED THROUGH THE
AZ. TRUST.

THE IT WAS A CLEAR CLAIM UNDER
ONTARIO LAW TO SURVIVORSHIP OF AN

15

Superior Court of Justice
(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario
M5G 1E6
(Court office address)

Endorsement

Date	Applicant(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel
	Respondent(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel

Order to go in accordance with minutes of settlement or consent filed.

INTEREST IN PROPERTY PURCHASES WITH
FUNDS IF PROVEN AT TRIAL WERE MISAPPROPRIATE
AND USED IN NON-ASSETS RELATED TRANSACTIONS
SUCH AS FUNDING ONE'S SPOUSE OR HOME.

I AM SATISFIED THAT DESPITE THE
DAVID'S UNDERTAKING TO HOLD THE ASSETS
AN ORDER SHOULD BE MADE AS SOUGHT BY THE
RELIEVER. THE COURT CANNOT PROTECT PUBLIC
^{INTERESTS}
~~PROPERTY~~ INTERESTS BY ACCEPTING THE
WORD OF SOMEONE WHO IS ALLEGED TO HAVE
MISAPPROPRIATED AND HIDDEN MILLIONS OR
TENS OF MILLIONS OF INDIAN DOLLAR MONEY.
BUT IN LIGHT OF THE OFFER OF THE UNDERTAKING,
I AM SATISFIED THAT THE BALANCE OF
CONVENIENCE SUPPORTS THE ORDER SOUGHT.
THERE IS A REAL RISK OF DISSIPATION OF

(9)

Superior Court of Justice

(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario
M5G 1E6

(Court office address)

Endorsement

4

Date	Applicant(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel
	Respondent(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel

Order to go in accordance with minutes of settlement or consent filed.

ASSETS OF MRS. DAVIES AND THE TRUSTS, THEY ARE ALL UNDER MR. DAVIES CONTROL TO A GREATER OR LESSER EXTENT. MR. DAVIES SAYS HE HAS NO BANK ACCOUNT, ALL PERSONAL EXPENSES COME FROM THE CORPORATION & OR FROM FUNDS GIVEN BY THAT COMPANY TO MRS. DAVIES. THIS IS BUT A FUNNEL THROUGH WHICH INVESTOR FUNDS ARE Poured AS PART OF THE LAUNDERING CYCLES OF CORPORATE SATIFIES AND TRUSTS LINKED UP TO PROTECT AND HIDE POTENTIALLY ILL-GOTTEN FUNDS. MRS. DAVIES ALSO IN CONCERT WITH MR. DAVIES IN RESPONSE TO THEIR MORTGAGE'S SUPPOSED ENFORCEMENT EFFORTS AND RE-LISTING THEIR Toronto HOME DESPITE THE COURT'S ORDER. MR. DAVIES SAYS THE RECOURSE IS TOO LATE AS HE HAS

5

Superior Court of Justice

(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario
M5G 1E6

(Court office address)

Endorsement

5

Date	Applicant(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel
	Respondent(s): _____	<input type="checkbox"/> Present
	Counsel: _____	<input type="checkbox"/> Present <input type="checkbox"/> Duty Counsel

Order to go in accordance with minutes of settlement or consent filed.

NO ASSETS LEFT. PERHAPS IT IS NOT TOO LATE TO FIND ~~THE~~ A'S FUNDS (OR PROVED) WITH THE DAVIES AND THE TRUSTS TO WHICH THEY WERE TITLED. THE DAVIES ARE NOW HER FAMILY. IS TO SUSTAIN ITSELF. IF THIS IS A REFERENCE TO FUNDS THAT ORIGINATED WITH PUBLIC INVESTORS SUBJECT TO THIS ACTION, THE ANSWER IS THAT THE COURT WILL RESPOND TO REASONABLE REQUESTS FOR ACCESS TO FUNDS ON MRS. DAVIES PROVIDING FULL DISCLOSURE. SHE ALSO MAY HAVE SOME PERSONAL EMPLOYMENT FUNDS THAT SHE MIGHT BE ABLE TO SHOW ARE ENTIRELY INDEPENDENT OF IT'S CLAIMS.

THIS IS NOT A CASE FOR AN UNDERTAKING ON DAMAGES. IT ADOES FOR PUBLIC INVESTORS WHOSE FUNDS ARE MISSING. IF ~~IT~~ LEFT

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Superior Court of Justice

(Name of Court)

at 393 University Avenue, 10th Floor, Toronto, Ontario

MSG 1E6

(Court office address)

Endorsement

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Page

Date

THEMSELVES VULNERABLE TO SUCH EXTRAORDINARY RELIEF. AS A MATTER OF INSUNCTION, THEN THEY HAVE TO BEAR THE RISK OF COSTS INCURRED DURING THE ENSUING INVESTIGATION OF THE IT'S STRONG PRIMA FAULT CASE.

ORDERS SIGNED A.S. ASKED, THE COURT RESPECTFULLY REQUESTS TIME AND AND RECOGNITION BY THE STATE ~~COURTS~~ COURTS OF ARIZONA AND THE FEDERAL DISTRICT COURTS IN THAT STATE AS THIS COURT STANDS READY TO RECOGNIZE OUR NEIGHBOR'S ORDERS AND PROBLEMS.



TAB A

For Endorsement attached, Order to go despite the Orders set out in the attached endorsement Mrs. Davies is authorised and allowed to access and spend up to an aggregate amount of \$25,000 to retain counsel and sustain herself in the interim period.

The Court previously found a sufficiently strong *prima facie* case exists against the Defendants to justify extraordinary pretrial injunctive relief issuing against them. A very substantial amount of money invested by public shareholders appears to have been misappropriated at first blush. Whether that conclusion changes as the matter proceeds will be determined at a later date.

The Defendants consent to a brief continuation of the Mareva injunction with no admission that it is proper but merely to allow for a scheduled, efficient hearing process for his intended motion to set the injunction aside. The consent therefore is wholly without prejudice to the Defendants. It cannot be used to answer any later arguments that they make.

The Receiver asks to extend the Order to Judith Davies personally and she and two others as trustees. The Receiver has demonstrated that funds from the public investors that are subject to Plaintiff's claims against Defendants, were given to Mrs. Davies and all 3 trustees. Among other things, allegedly misappropriated funds are admitted by John Davies to have been used to buy and renovate the home in Arizona that was purchased through the Arizona trust.

The Plaintiff has a clear claim under Ontario law to ownership of an interest in property purchased with funds it proves at trial were misappropriated and used in non-arm's length transactions such as funding one's spouse or home.

I am satisfied that despite Mr. Davies undertaking to hold the Arizona property, an Order should issue as sought by the Receiver. The Court cannot protect public investors' interests by accepting the word of someone who is alleged to have misappropriated and hidden millions or tens of millions of investors' money. But in light of the offer of the undertaking, I am satisfied that the balance of convenience supports the Order sought. There is a real risk of dissipation of assets by Mrs. Davies and the trustees. They are all under Mr. Davies control to a greater or lesser extent. Mr. Davies says he has no bank account. His personal expenses come from the corporate Defendant or from funds given by that company to Mrs. Davies. She is but a funnel through which investor funds are poured as part of the laundering cycles of corporate entities and trusts lined up to protect and hide potentially ill-gotten funds. Mrs. Davies acted in concert with Mr. Davies in responding to their mortgagee's supposed enforcement efforts and re-listing their Toronto home despite this Court's Order. Mr. Davies says the Receiver is too late as he has no assets left. Perhaps it is not too late to find its funds (of proven) with Mrs. Davies and the trusts to whom they were moved. Mrs. Davies asks how her family is to sustain itself. If this is a reference to funds that originated with public investors subject to this Action, the answer is that the Court will respond to reasonable requests for access to funds on Mrs. Davies providing full disclosure. She also may have some personal employment funds that she might be able to show are entirely independent of Plaintiff's claims.

This is not a case for an undertaking on damages. Plaintiff asks for public investors whose funds are missing. If Defendants left themselves vulnerable to even such extraordinary relief as a *Mareva* injunction, then they have to bear the risk of costs incurred during the ensuing investigation of the Plaintiff's strong *prima facie* case.

Orders signed as asked. The Court respectfully requests the aid and recognition by the State Courts of Arizona and the Federal District Courts in that State as this Court stands ready to recognize our neighbour's Orders and Proceedings.

TAB 8

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiffs

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

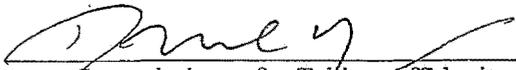
AFFIDAVIT OF JOHN DAVIES

(Sworn June 14, 2017)

I, John Davies, of King City in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the defendants in the above noted action and, as such, have personal knowledge of the information set out in this affidavit.
2. Attached as Exhibit "A" is a statement of the defendants' assets and liabilities current as of June 14, 2017.
3. I swear this affidavit in response to the Order of the Honourable Justice Myers dated June 7, 2017.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on June
14, 2017



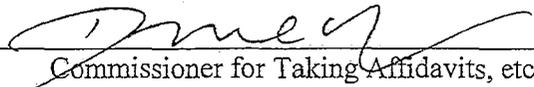
Commissioner for Taking Affidavits
(or as may be)
Michael Bebut



JOHN DAVIES

TAB A

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JUNE, 2017



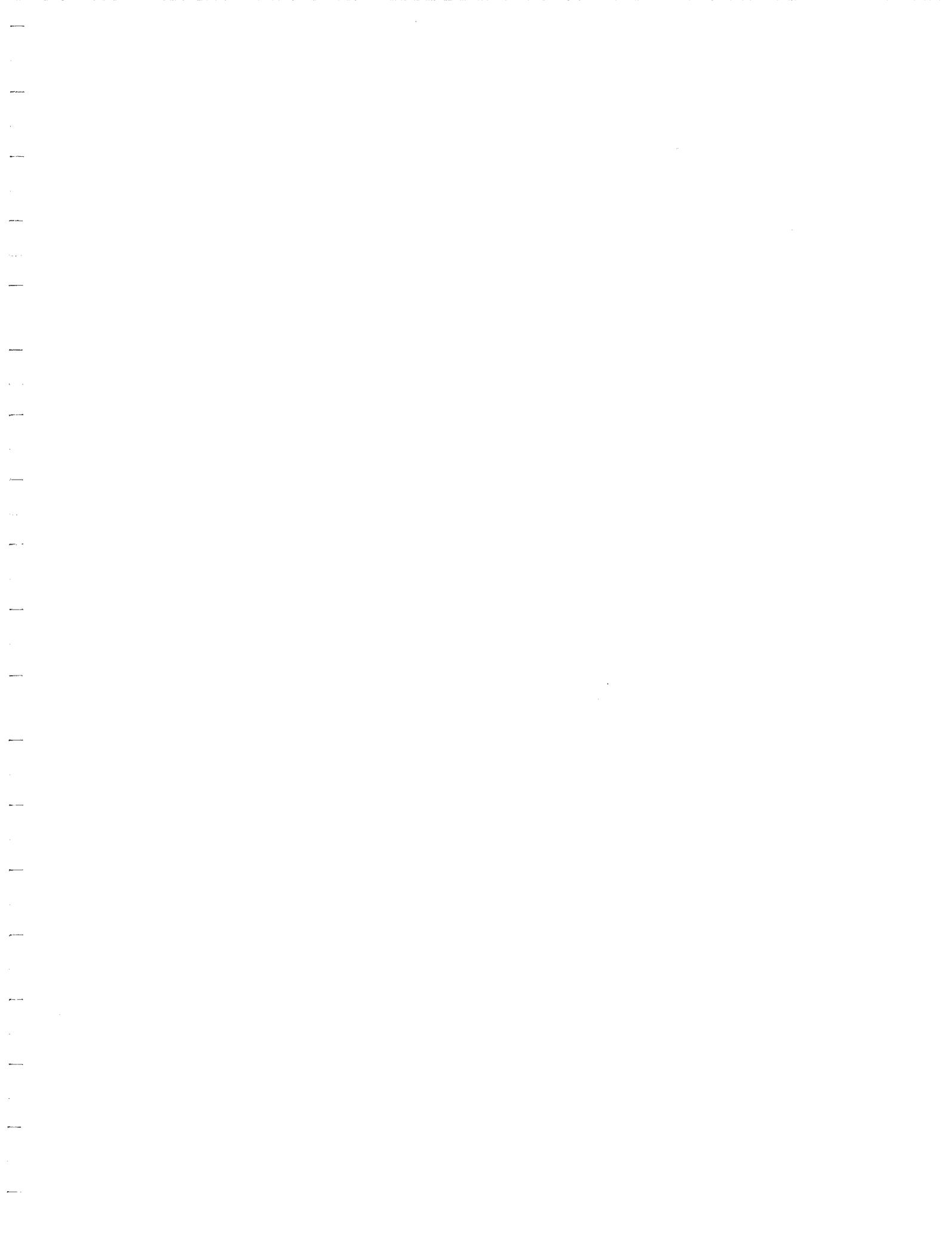
Commissioner for Taking Affidavits, etc.

Michael Beckett

John Davies
Assets and Liabilities
as of June 14, 2017

Assets	Value	Location
1) 24 Country Club Drive (Residence)	1,600,000	Ontario
2) Davies Arizona Trust - Discretionary Beneficiary	unknown	Arizona
3) Household Furniture / Misc	75,000 (est.)	Ontario
4) 2011 Toyota Venza (159,000 km)	2,500	Ontario
5) 2008 Range Rover Sport (175,000 km)	12,000	Arizona
6) 2008 Cobalt (boat)	30,000	Ontario
Total Assets	<u>1,719,500</u>	

Liabilities	Value	Location
1) First Mortgage 24 Country Club	1,050,000 (est.)	Ontario
2) CRA Liens (24 Country Club)	600,000 (est.)	Ontario
3) Accounts Payable		
Enbridge	400	Ontario
Hydro	500	Ontario
Auto One	5,980	Ontario
407	2,000	Ontario
Rogers	800	Ontario
Bickle Maintenance	700	Ontario
Condo Fees	650	Ontario
Loan	10,000	Ontario
Clublink, Water/Sewage Fees	6,300	Ontario
4) Financing Guarantee - 28 McMurray Street Inc. (Pillar Financial)	300,000	Ontario
Total Liabilities	<u>1,977,330</u>	



Aeolian Investments Ltd.
Assets and Liabilities
as of June 14, 2017

Assets	Value	Location
1) Various % Shareholding Interest		
- McMurray Street Investments Inc.	0	Ontario
- Textbook Ross Park Inc.	0	Ontario
- Textbook (774 Bronson Avenue) Inc.	0	Ontario
- Textbook (445 Princess Street) Inc.	0	Ontario
- Generx Byward Hall Inc	0	Ontario
- Textbook Suites Inc.	unknown	Ontario
	<u> </u>	
Total Assets	<u> </u>	unknown

Liabilities		
1) Automobile Lease Residual obligations (net)		
- 2014 Range Rover (net after sale)	12,000	Ontario
- 2013 Ford Escape (net after sale)	10,000	Ontario
2) CRA		
HST	50,000 (est.)	Ontario
Taxes	<u>100,000 (est.)</u>	Ontario
	<u> </u>	
Total Liabilities	<u>\$ 172,000</u>	

John Davies
Assets and Liabilities
as of June 14, 2017

Assets	Value	Location
1) 24 Country Club Drive (Residence)	1,600,000	Ontario
2) Davies Arizona Trust - Discretionary Beneficiary	unknown	Arizona
3) Household Furniture / Misc	75,000 (est.)	Ontario
4) 2011 Toyota Venza (159,000 km)	2,500	Ontario
5) 2008 Range Rover Sport (175,000 km)	12,000	Arizona
6) 2008 Cobalt (boat)	30,000	Ontario
Total Assets	<u><u>1,719,500</u></u>	

Liabilities	Value	Location
1) First Mortgage 24 Country Club	1,050,000 (est.)	Ontario
2) CRA Liens (24 Country Club)	600,000 (est.)	Ontario
3) Accounts Payable		
Enbridge	400	Ontario
Hydro	500	Ontario
Auto One	5,980	Ontario
407	2,000	Ontario
Rogers	800	Ontario
Bickle Maintenance	700	Ontario
Condo Fees	650	Ontario
Loan	10,000	Ontario
Clublink, Water/Sewage Fees	6,300	Ontario
4) Financing Guarantee - 28 McMurray Street Inc. (Pillar Financial)	300,000	Ontario
5) Personal Loan - Don Mintz	100,000	Ontario
Total Liabilities	<u><u>2,077,330</u></u>	

Aeolian Investments Ltd.
Assets and Liabilities
as of June 14, 2017

Assets	Value	Location	Shareholding Percentage
1) Various % Shareholding Interest			
- McMurray Street Investments Inc.	0	Ontario	30%
- Textbook Suites Inc.	unknown	Ontario	35%
- Textbook Student Suites Inc.	unknown	Ontario	30%
- Scollard Development Corporation	unknown	Ontario	50%
- Legacy Lane Investments Ltd.	unknown	Ontario	50%
- Memory Care Management Ltd.	unknown	Ontario	100%
- Memory Care Investments Ltd.	unknown	Ontario	50%
- 2372519 Ontario Ltd.	unknown	Ontario	50%
	<u> </u>		
Total Assets	<u> </u>	unknown	
Liabilities			
1) Automobile Lease Residual obligations (net)			
- 2014 Range Rover (net after sale)	12,000	Ontario	
- 2013 Ford Escape (net after sale)	10,000	Ontario	
2) CRA			
HST	50,000 (est.)	Ontario	
Taxes	<u>100,000 (est.)</u>	Ontario	
Total Liabilities	<u>\$ 172,000</u>		

KSV KOFMAN INC. in its capacity as Receiver and Manager of - and -
Certain Property of Scollard Development Corporation, et al.
Plaintiffs

JOHN DAVIES et al.

Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

AFFIDAVIT OF JOHN DAVIES

(Sworn June 14, 2017)

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Lawyers for the Defendants

TAB 9

Court File No.: CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiffs

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

AFFIDAVIT OF JOHN DAVIES

(Sworn July 14, 2017)

I, John Davies, of King City in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the defendants in the above noted action and the sole director and officer of the corporate defendant Aeolian Investments Ltd. ("Aeolian"). As such, I have personal knowledge of the information set out in this affidavit. For convenience, unless otherwise defined, the defined terms herein have the same meaning as the terms defined in the Receiver's Sixth Report.
2. I swear this affidavit in opposition to the Receiver's motion for an extension of the Mareva order against me and Aeolian, and an interim Mareva order against (i) me in my capacity as trustee of the Davies Family Trust and the Davies Arizona Trust and (ii) my wife, Judith Davies.

3. As discussed more fully below, there is no basis upon which the relief sought by the Receiver should be granted:

- (a) The evidence upon which the Mareva order was originally granted was incomplete and created a false impression (through no fault of the Receiver). Substantial additional evidence has since been provided to the Receiver regarding the nature of the disputed development management fee payments which makes it clear that these payments were known to and authorized by the Trustee Corporations. In my view, this evidence has not been fully or fairly stated in the Receiver's materials.
- (b) The Receiver has mischaracterized the nature of the asset sales, both past and prospective, which it points to as evidence of my intention to liquidate assets and put them out of reach of the Receivership Companies. These sales were directed by and for the benefit of my creditors.
- (c) The Receiver has thoroughly examined me regarding my financial status and is aware that I have no further assets that could be liquidated. The only asset of some value over which I exercise some degree of control is the Arizona Property, which I have undertaken not to sell or encumber pending the outcome of this proceeding, and which could not be sold quickly even if I desired to do so (which I do not). There is no risk of dissipation of assets.

4. On these grounds, I respectfully ask that the Court dismiss the Receiver's motion and, in addition, lift the Mareva order against me and Aeolian. If this Court is not prepared to do so, in light of the losses I have suffered and will continue to suffer, I respectfully ask that the Receiver be required to provide an undertaking as to damages.

5. As the Receiver's materials were delivered yesterday morning, I have only had a short amount of time to prepare this initial affidavit. Once I have had the opportunity to more carefully review the materials, I may prepare a supplementary affidavit to address additional issues.

Allegations Regarding Management Fees are Without Merit

6. Significant portions of the Receiver's claim, including its claim regarding amounts paid to members of my family and to the Davies Arizona Trust, are entirely contingent upon the Receiver's allegations regarding development management fees paid to the Davies Developers which are variously described as "fraudulent", "covert", "secret", and prohibited under the terms of the Loan Agreements between the Davies Developers and the Trustee Corporations. These allegations are unsupportable and entirely without merit.

(a) Trustee Corporations were Aware of and Consented to Management Fees

7. As set out in a memorandum prepared for and provided to the Receiver on June 23, 2017 (a copy of which I attach as **Exhibit "A"**, and which is included in the Receiver's Motion Record at Tab 3B), and as I testified at my examination (see questions 240-249), for each of the development projects, the Davies Developers prepared detailed development pro-formas setting out projected costs and revenues. I attach as **Exhibit "B"** a pro-forma for 555 Princess, which is representative of all the pro-formas that were prepared.

8. Each pro-forma included line items relating to "development management" and "development management fees" which, consistent with industry standards, were calculated at 5% of the overall project cost. These development management fees, which were paid monthly in the ordinary course over the term of the project, were used to pay staff costs, office expenses and overhead, and to compensate management for their work in advancing the projects through predevelopment. Such work included site acquisition and analysis, budget preparation, hiring of consultants, creation of pro-forma analyses, negotiation with City authorities regarding planning and approvals, site plan approval, design, density, building materials, site servicing and drainage,

construction cost estimating, coordination with consultants, and preparation of various studies for the City and Region authorities including geotechnical, environmental, traffic/parking and storm water/servicing.

9. To the Receiver's knowledge (see question 240 of my examination), in each case, the relevant pro-forma was provided to Raj Singh, the director and officer of each of the Trustee Corporations, for review prior to any funds being raised from investors by the Trustee Corporations. Mr. Singh reviewed the pro-formas on behalf of the Trustee Corporations and asked questions, including occasional questions regarding the development management fees. In one instance, at Mr. Singh's request, the development management fee for the Scollard project was reduced from 5% to 4%. Once Mr. Singh and the Trustee Corporations were satisfied, they proceeded to raise funds from investors. There was nothing "secret" or "covert" about the development management fees; the Trustee Corporations were fully informed of their existence and quantum. We have provided the Receiver with significant correspondence that we exchanged with Mr. Singh regarding the development management fees; I have attached as **Exhibit "C"** a few representative examples.

10. The Davies Developers had no relationship with any of the investors; their relationship was with the Trustee Corporations. It was the responsibility of Mr. Singh and the Trustee Corporations to advise investors of the costs associated with the various projects in which they would be investing, including the development management fees that would be paid.

(b) Management Fees were Permitted under Loan Agreements

11. The relationship between the Davies Developers and the relevant Trustee Corporations was governed by the Loan Agreements that are attached to the Receiver's Fourth Report. Certain

of the Loan Agreements (those for 445 Princess, 525 Princess, 555 Princess, Bronson and Ross Park) permitted payment of ordinary course amounts related to the management, development and operation of the relevant project, provided that those amounts were reasonable for the services rendered. As such, under these Loan Agreements, payment of development management fees was permitted.

12. The Receiver has stated that the amounts paid by 525 Princess and 555 Princess appear unreasonable as the projects had achieved little progress and remained in the pre-construction phase. This statement demonstrates a lack of understanding of the work that the Davies Developers were retained to complete. In the Acknowledgement and Direction provided to investors in the Kitchener project (which is at Tab 2R of the Receiver's Motion Record), investors were advised that the proceeds were to be used for, amongst other things, "acquisition of property, design, marketing, approvals, rezonings, drawings, engineering report[s]", all of which are pre-construction tasks. I believe that similar disclosure was made to investors in most or all of the other development projects, including those related to the Receivership Companies. The Davies Developers were responsible for advancing the projects towards construction readiness – which they did – and for this work, were entitled to receive the development management fees agreed to by the Trustee Corporations.

13. With respect to the Loan Agreements for the other Davies Developers (Scollard, Legacy Lane, Burlington, Kitchener, Oakville and McMurray), "Distributions" (which include management fees) were permitted with the consent of the relevant Trustee Corporation. As noted above, the Trustee Corporations had full knowledge of the development management fees that were proposed for each project and, with that knowledge, went to market and raised funds from

investors. In this context, there can be no question that the Trustee Corporations consented to the payment of development management fees.

14. The Receiver has also questioned the validity of the development management fees on the basis that no management agreements were entered into between Aeolian and the Davies Developers. In my 25 years as a real estate developer, having borrowed and repaid more than \$200 million, I have never once been asked by a lender (including large institutional lenders such as HSBC and Laurentian Bank) to execute any services or management agreement with respect to development management fees. The pro-formas and other due diligence materials have always been the documents that establish the overall parameters of a project and that lenders use to decide whether and how much they are willing to lend.

15. The development management fees that I earned were paid to Aeolian, which is my personal holding corporation. To the Receiver's knowledge, over the years, various payments were made from Aeolian to the Davies Arizona Trust, to my wife (for the purpose of reducing my personal income tax burden, as I disclosed in my examination at questions 391-394), and to pay for my ordinary and ongoing living expenses. In light of the fact that these payments were all funded by development management fees that had been properly earned, the Receiver's allegations regarding their impropriety are without merit.

24 Country Club Drive

16. 24 Country Club Drive (the "**Residence**") is my current residence. My wife Judith, my daughter Jessica and her fiancée, and my son Jack also reside at the Residence. I purchased the Residence in July 2011.

17. The Residence is subject to a first mortgage from Moskowitz Capital Mortgage Fund II Inc. ("Moskowitz") in the amount of \$1,950,000 (the "Mortgage"). The principal amount outstanding on the Mortgage as of November 1, 2016 was \$768,877 with a 12.5% annual interest rate (prior to February 28, 2017, the annual interest rate was 11.7%). There are also four CRA liens on title to the Residence in relation to unpaid income taxes totalling \$599,954.25. I attach to my affidavit as **Exhibit "D"** a copy of the parcel register for the Residence; as **Exhibit "E"** a copy of the Mortgage instrument registered on title to the Residence; and as **Exhibit "F"** copies of the CRA liens registered on title to the Residence.

18. To the Receiver's knowledge, I have been unable to make payments on the Mortgage (see questions 110-113 of my examination). The Mortgage is in default and has been since November 1, 2016. The total current outstanding amount on the Mortgage as of June 12, 2017 is \$858,990.99. This information was provided to the Receiver on June 30, 2017 as part of the answers to undertakings arising out of my examination (a copy of which is attached hereto as **Exhibit "G"**).

19. As a result of the default, at the instruction of Moskowitz, the Residence was listed for sale in February 2017 for \$1.6 million. An offer was accepted on February 25, 2017 for \$1.635 million with a closing date of June 20, 2017. However, to the Receiver's knowledge, that deal was terminated by the prospective purchaser on or about May 15, 2017 as the purchaser was overextended (see questions 131-133 of my examination).

20. As I testified at my examination (see question 135), after the deal was terminated, I asked Moskowitz whether it would consider allowing me and my family to continue living in the Residence on an interest-free basis rather than immediately enforce upon its security. If

Moskowitz refused my request and determined to sell the Residence by power of sale, and as I told the Receiver at my examination, I would try to re-list the Residence in order to have some measure of control over the potential sale price and avoid the discount associated with a power of sale proceeding.

21. Following my examination, on June 22, 2017, my wife received a Notice of Sale from Moskowitz (attached as **Exhibit "H"**) with a redemption date of July 22, 2017. With Moskowitz's consent, my wife and I have since re-listed the Residence in an attempt to gain market exposure and attract the highest possible sale price in order to pay my creditors. In this respect, and contrary to the information contained in the Receiver's Sixth Report, my wife and I entered into a listing agreement on June 22, 2017 (a copy of which is attached as **Exhibit "I"**). It is also relevant to note that the re-listing is in effect a continuation of the original listing, which would have remained in place to date had the February offer not been accepted (and subsequently terminated).

22. Contrary to the concerns expressed by the Receiver in its Sixth Report, my intention was never to alienate or dissipate the Residence in order to put the proceeds beyond the reach of creditors:

- (a) If this had been my intention, I would not have given sworn evidence of my intention to re-list the Residence in the event that I could not reach a deal with Moskowitz (see question 135 of my examination).
- (b) The proceeds from any sale of the Residence will flow entirely to my creditors. There are charges against the Residence totalling \$1,458,945.24 (the Mortgage and the CRA liens). The Residence is currently listed for \$1.6 million which, after taxes and realtor fees, will barely be enough to satisfy these amounts. In addition,

I have not yet filed my 2016 tax return, and it is likely that I will owe another \$200,000+ in income tax which would be payable out of any sale proceeds.

- (c) It was never my intention to alienate the Residence without advising the Receiver. In any event, the Mareva order is registered on title to the Residence. I understood that any potential sale of the Residence would require the order to be vacated, which would in turn require the approval of both this Court and the Receiver.

23. As I testified at my examination (see question 136), I have no intention of moving away. The Residence is my family's home. The only reason we have listed it for sale is to avoid the alternative result of a discounted sale price by way of power of sale. I did not inform the Receiver of the listing or of the open house on July 8, 2017 because I believed the Receiver already understood my intentions from my testimony.

24. I sincerely apologize for any concern I have caused this Court or the Receiver regarding the Residence.

The Arizona Property

25. As the Receiver states in its Sixth Report, and as I testified at my examination (see question 150), the Davies Arizona Trust was settled in December 2013, long before any of the allegations in this lawsuit arose. As such, it should be apparent that the Davies Arizona Trust was not established for the purpose of evading creditors or any other improper purpose. Rather, it was established for the primary benefit of my children.

26. After the Davies Arizona Trust was created, it purchased the Arizona Property and commenced renovations (which are incomplete). The Davies Arizona Trust has no other assets. All costs associated with purchasing and renovating the Arizona Property were funded by

Aeolian from the management fees earned in relation to the various projects being developed by the Davies Developers. As noted above, in each instance, these fees were disclosed to and approved by the Trustee Corporations prior to any funds being raised from investors, and earned and paid in the ordinary course in accordance with the pro-formas.

27. I have no intention to cause the Davies Arizona Trust to sell the Arizona Property, as it is the only remaining asset over which I have some degree of control. As noted in the Receiver's Sixth Report, my lawyers have already confirmed to the Receiver that I will not take steps to sell or encumber the Arizona Property (see Tab 3M of the Receiver's Motion Record). I will similarly undertake to this Court that I will not sell or further encumber the Arizona Property without the consent of the Receiver until this proceeding is finally resolved.

28. Moreover, the Arizona Property is not readily saleable for a number of reasons:

- (a) There are a number of significant deficiencies that need to be repaired in order to bring the Arizona Property into saleable condition, including electrical issues, termite infestation and cracks in the pool wall. These deficiencies are likely to cost at least US\$150,000 to repair (which I have no ability to fund), and the work would take between 4-5 months.
- (b) The Phoenix-area real estate market is distressed and has been for some time. Properties comparable to the Arizona Property are selling at significantly below their historic values. Based on the dollar-per-square-foot range of comparable sales, the potential gross sale value for the Arizona Property is between US\$1.09 million and US \$1.44 million. After deducting the mortgage, repair costs, unpaid contractor fees, taxes and realtor fees, the net proceeds are likely to be between US\$40,000 and US\$400,000.
- (c) Given the state of the market, it would likely take a significant period of time before the Arizona Property could be sold. Comparable properties in the local

area which have recently sold were listed between 7 and 23 months, and there are a number of properties in the same subdivision which have been on the market for over 24 months.

29. In light of the above, as well as the undertaking I have provided, I respectfully ask the Court to find that there is no justification or need to extend the Mareva order to the Davies Arizona Trust or the Arizona Property.

Rationale for Mareva Order No Longer Exists

30. In the materials filed in support of the initial *ex parte* motion for a Mareva order, the Receiver justified its request in part on the basis that (a) I had taken steps to liquidate assets and put them beyond reach of the Receivership Companies, and (b) there was a risk that I would continue to do so. To the Receiver's knowledge, these concerns no longer exist: I have taken no steps to liquidate assets and put them beyond reach of my creditors, and I have no further assets that could be liquidated.

31. Although the Receiver states that I have "embarked on a course of conduct designed to liquidate my assets and put them beyond the reach of the Receivership Companies", it only points to two specific examples: the sale of my cottage in April 2017 for approximately \$3 million, and the attempted sale of the Residence (first with respect to the sale that was terminated by the purchaser, and now with respect to the recent re-listing and open house).

32. I have already explained the rationale behind the Residence above: we are taking steps to market the Residence in order to avoid a forced sale and gain the best possible price for the benefit of my creditors. With respect to the cottage, the second mortgage provided by Moskowitz was more than \$100,000 in default and a Notice of Sale had been issued in February 2017.

Similar to the currently ongoing process regarding the Residence, the cottage was listed at the behest of Moskowitz, which would have exercised power of sale proceedings had we not successfully sold the cottage. To the knowledge of the Receiver (see questions 95-109 and the summary of the proceeds of sale, which is attached as **Exhibit "J"** and which was provided as part of my answers to undertakings), neither I nor the Davies Family Trust received any proceeds from the sale. Neither of these actions can be interpreted as being designed to evade creditors.

33. Moreover, the Receiver has already cross-examined me and obtained full disclosure of my assets, liabilities and financial status. I have no assets that are capable of being liquidated. The only asset of some value over which I have some degree of control is the Arizona Property, which is held by the Davies Arizona Trust for the benefit of my children and regarding which I have undertaken not to take any steps to sell or encumber pending the final disposition of this proceeding. Similarly, my wife has no assets of value that are capable of being liquidated. She is currently working part-time for \$22/hour to support our family's living expenses. There is no risk of dissipation and, as such, no rationale for the Mareva order.

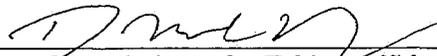
Damages Suffered as a Result of Mareva Order

34. Through this process, and as a result of the Mareva order, I have lost not only my home and all of my personal assets, but also my business and the business opportunity to profitably develop the various projects undertaken by the Davies Developers, which are now being liquidated at deeply distressed prices.

35. In addition, I have suffered tremendous damage to my reputation which has prevented me from re-establishing my business as a developer in order to repay my creditors and provide for my family. This has been deeply distressing to both me and my entire family.

36. In light of the losses and distress I have already suffered and will continue to suffer, including the impending sale of the Residence, in the event that the Court is not prepared to deny the Receiver's motion, it should vary both the existing Mareva order and the Mareva order sought to include an undertaking as to damages.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on July 14, 2017


Commissioner for Taking Affidavits
(or as may be)

Michael Beckett


JOHN DAVIES

TAB A

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Bebban

Overview of Development Management Fees

Summary:

Raj Singh, Tier 1's President and director and officer of the Trustee Corporations, and Greg Harris, Tier 1's lawyer, were fully aware and completely on-side with the Davies Developers charging 5% of the total project costs for development management fees. Prior to closing, each Tier 1 project was studied in considerable detail and both Singh and Harris were provided with detailed development pro-forma calculations which set out the projected costs and revenues of the project, including the 5% development management fee. The Trustee Corporations were also provided with multiple iterations of the pro-forma projections as pre-development work advanced. These development management fees, which were consistent with industry-standard development management costs, were submitted to the individual development companies for payment on a monthly basis.

Background:

McMurray Lofts and Condos

The subject of development management fees being invoiced to the individual development companies was first addressed in April 2012 when Singh wrote to Davies regarding the pro-forma for McMurray Lofts and Condos to request clarification as to which party would receive development management fees for project development services on McMurray and which party would receive the construction management fees.

Davies wrote to Singh on April 22, 2012, prior to the Tier 1 McMurray closing, and specified that the development management fee would be paid by McMurray for development management services. There were no further conversations pertaining to development management fees being charged in relation to the McMurray project.

Memory Care Oakville

By spring of 2012, Davies and Bruce Stewart (an original officer, director and shareholder of Memory Care Investments Ltd.) had spent approximately 12 months studying the feasibility of the Memory Care initiative. Singh had been introduced to the opportunity in late 2011 or early 2012. The first Memory Care development site on Garden Drive (at Lakeshore Blvd.) in Oakville was put under contract in the fall of 2011. Harris, who represented Tier 1 and Memory Care, incorporated Memory Care Investments (Oakville) Ltd. in May 2012 and the purchase occurred in October 2012.

During the due diligence period prior to closing, Davies and Stewart produced pro-forma sensitivity studies that were circulated to Singh and Harris. These studies set out all of the projected costs and revenues, including development management fees calculated at 5% of total hard and soft costs.

Davies, Stewart, Singh and Harris had a number of discussions about all the projected costs and revenues contained in the pro-forma, including the development management fees. These conversations took place prior to the Oakville closing. Harris and Singh initially took the position that they too should share in the development fees with Stewart and Davies. Davies and Stewart explained that the development management fees covered all of their overhead, including staff costs, office expenses and out of pocket costs, in addition to management fees paid to Davies and Stewart.

To facilitate invoicing of development management fees, Harris incorporated 'Memory Care Management Ltd.' in January 2013. Memory Care Management was owned 50/50% by Davies and Stewart and was specifically incorporated as the company that would invoice and receive development management fees from the Memory Care (and other) development entities (though it was never ultimately used for this purpose).

Scollard Development Corp.

For seven months, commencing in the fall of 2012 and throughout the winter and spring of 2013, Davies, Stewart and Singh explored the opportunity of developing a luxury, high-rise residential condominium project located at 50 Scollard Street on the site of the former sales and presentation centre for the 'Four Seasons Residences' condo in Yorkville.

Singh was responsible for sourcing financing while Davies and Stewart studied the redevelopment options for the property. Stewart and Davies prepared pro-forma projections of the costs, revenues and potential profit of the Scollard venture. Initial pro-forma studies indicated the project, as conceived, would cost approximately \$80 million to construct. Singh advised Davies and Stewart he thought that a 5% development management fee (\$4 million) was too high. Singh also advised that some investors wanted Davies to consider taking reduced development fees until such time as sufficient sales targets had been met to ensure the availability of construction financing.

Davies and Stewart explained to Singh the costs were attributed to the large number of new staff that would need to be hired to manage such a major project over four years. Davies, Stewart, Singh and Harris subsequently met to discuss the issues of fee timing and quantum and the parties agreed to reduce the development management fee for Scollard to 4%. All subsequent pro-forma projections for Scollard carried the 4% development management fee and there were no further discussions regarding the quantum or timing of fees. Tier 1 was ultimately unable to raise financing and the purchase option on the property expired.

Legacy Lane Residential Development, Huntsville

The Legacy Lane property was known to Stewart through his design and development consulting work for Chartwell, who owned and operated an adjacent retirement residence to the Legacy Lane site. As with the other projects, Davies and Stewart studied the opportunities and constraints associated with the project and submitted pro-forma analyses to Singh and

Harris in advance of closing on the property. The Legacy Lane project pro-forma included a 5% development management fee carried in the budget. Neither Singh nor Harris disputed this proposed fee.

Memory Care Burlington and Kitchener

As with Memory Care Oakville, Davies and Stewart prepared detailed financial projection pro-formas for both the Burlington and Kitchener Memory Care projects. Each pro-forma included a development management fee calculated at 5% of the total projected project cost. These pro-formas were circulated to Harris and Singh prior to closing, and Singh and Harris received updated financial reports (post-closing) throughout the pre-development phase. There were no discussions or questions raised by Singh or Harris about the development management fees.

'Boathaus' Condominiums, Whitby

Davies and Stewart were introduced to this prime redevelopment site by the former planning director of the Town of Whitby. Initially conceived as a 4-storey condominium project containing 256 suites, the development team added a fifth storey in response to robust early sales. Pro-forma studies were prepared by Davies and Stewart and were later refined by Davies and Chris Giamou (who had been hired by Davies as Sr. VP Finance). Prior to closing, pro-forma projections (which included a 5% development management fee) were prepared and presented to Singh and Harris. Based on the development's potential for success, Singh agreed to work to secure SMI financing to acquire the property. No issues were raised by Singh or Harris about any aspect of the pro-forma, including the 5% development management fee.

Invoicing of Development Fees

There is considerable correspondence between Davies, Stewart, Harris and Singh from early in their business relationship regarding the development management fees and their payment by the development companies to the Davies Developers. This correspondence includes questions from Singh and Harris about the quantum of fees, what costs are included, the growth of the enterprise and who should receive a share of the fee. Those questions were addressed to everyone's satisfaction and, as detailed above, the projects proceeded.

Singh and Harris were aware that development management fee payments flowed directly to Aeolian Investments Ltd. Neither of them ever raised any issues with this payment flow or advised the Davies Developers that taking this action was contrary to the terms of the Loan Agreements. Indeed, following Stewart's departure from the Memory Care enterprise, both Singh and Harris began invoicing Aeolian for a pro-rata share of the monthly Memory Care management fee draw that was previously payable to Stewart.

In addition, and as noted above, Harris incorporated Memory Care Management Ltd. in January 2013 to invoice development management fees and other overhead to the various development projects. This action, together with Singh and Harris' invoicing of Aeolian for a share of Stewart's management fee draw and the parties' interactions regarding pro-formas,

reflect Singh and Harris' consent to the payment of development management fees as an ordinary course expense in connection with the development of the various projects.

Quantum of Development Fees

As noted above, the Davies Developers had the approval of Singh and Harris to act as the development manager (or co-developer) for each of the development entities, and to charge an industry-standard 5% development management fee for their services. From these fees, the Davies Developers were responsible to pay management compensation and other staff costs, office expenses and over-head necessary to advance the projects through the predevelopment phase.

It was understood and agreed that the Davies Developers had full responsibility for developing the various projects, and had the authority to retain architects, engineers, planners, consultants and other experts. The Davies Developers advanced the projects and invoiced for development management fees in accordance with the pro-formas that were submitted to and approved by Singh, Harris and the Trustee Corporations.

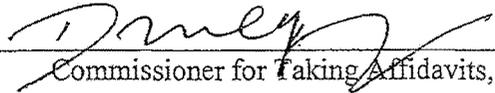
The quantum of fees (charged on a project by project basis) reflected the progress achieved on each of the developments. Accounting records confirm that development management fees were invoiced on a monthly basis through the course of pre-development work on each project. Appropriate fee reserves were maintained so each project could be taken to 'shovel readiness' by the time the 5% fee had been fully disbursed.

TSI / TSSI

Textbook Suites Inc. and Textbook Student Suites Inc. were created to manage the development activities of the student housing project initiative. As with the Memory Care and other predecessor companies, a 5% development management fee was included as a development cost in every Textbook pro-forma.

TAB B

THIS IS EXHIBIT "B"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Bertone

PROFORMA SUMMARY	19	20	21	22	23	24	25	26	27	28	29	30	31	GRAND
Cash flow - Capital cost	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	TOTAL
										Substantial			TAKE OUT	
										Completion	Occupancies			
Units Occupied - Monthly	0	0	0	0	0	0	0	0	0	65	65	65		
Units Occupied - Total	0	0	0	0	0	0	0	0	0	65	130	195		
INTERIM OPERATIONS														
Monthly rent - Retail														0
Monthly rent - Residents										100,300	200,600	300,900		601,800
Less: Operating costs										28,084	56,168	84,252		-168,504
Other														0
Total cash receipts	0	0	0	0	0	0	0	0	0	72,216	144,432	216,648	0	433,296
Construction % - Monthly	7.2%	6.7%	6.7%	6.7%	6.9%	6.4%	6.7%	10.8%	10.5%	0.3%	0.3%	0.3%		100.0%
Construction % - Total	37.8%	44.5%	51.2%	57.9%	64.7%	71.1%	77.8%	88.6%	99.1%	99.4%	99.7%	100.0%		
COSTS / CASH PAYMENTS:														
General Requirements	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075					1,106,278
Site Work \ Connections														737,519
Concrete/Formwork/Parking	885,022													4,425,111
Masonry	81,947	81,947	81,947	81,947										491,679
Metals		81,947	81,947	81,947	81,947	81,947	81,947							491,679
Carpentry		122,920	122,920	122,920	122,920	122,920	122,920	122,920	122,920					983,358
Thermal & Moisture Protection		153,650	153,650	153,650	153,650	153,650	153,650	153,650	153,650					1,229,198
Doors & Windows		184,380	184,380	184,380	184,380	184,380	184,380	184,380	184,380					1,475,037
Finishes		215,110	215,110	215,110	215,110	215,110	215,110	215,110	215,110					1,720,877
Appliances \ Furnishings								921,898	921,898					1,843,796
Amenity, Specialties								61,460	61,460					122,920
Conveying Systems					122,920			122,920	122,920					491,679
Mechanical	389,246	389,246	389,246	389,246	389,246	389,246	389,246	389,246	389,246					4,670,951
Electrical	286,813	286,813	286,813	286,813	286,813	286,813	286,813	286,813	286,813					3,441,753
Upgrades & other							75,000	75,000						150,000
Construction Management	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	860,438
Construction Contingency	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	491,679
Design & Consulting	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	1,163,410
Legal & Dev. Management	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	2,615,500
Sales & Marketing	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	100,296	100,296	100,296	100,296	852,148
Interest & Finance	75,830	84,753	93,196	101,148	109,134	117,154	125,378	133,123	141,215	153,607	165,720	330,897		3,289,811
HST - Net of rebates												2,490,309		2,490,309
Soft cost contingency	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	300,000
Land Costs	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	6,865,724
Total cash payments	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	472,747	484,860	3,140,346	Deferred	42,310,851
CASH REQUIRED	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	0	41,877,555
FINANCING:														
Equity advance														-6,350,000
Mezzanine Mortgage advance														-6,350,000
Construction advance	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-29,177,555	0
Total FINANCING	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-41,877,555	0
Closing bank balance	0	0	0	0	0	0	0	0	0	0	0	0	-41,877,555	
1) EQUITY FINANCING:														
Opening Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current advances (repaid)	0	0	0	0	0	0	0	0	0	0	0	0	-6,350,000	-6,350,000
Cummulative Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	0
2) MEZZANINE FINANCING:														
Opening Mezzanine balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current Advance (Repayment)	0	0	0	0	0	0	0	0	0	0	0	0	-6,350,000	-6,350,000
Cummulative Mezzanine balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	0
3) CONSTRUCTION FINANCING:														
Opening Construction Loan balance	6,080,654	8,107,106	10,015,464	11,932,265	13,857,018	15,830,731	17,689,544	19,631,581	22,605,694	25,512,899	25,913,429	26,253,858	29,177,555	29,177,555
Current advance (repayment)	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-29,177,555	-29,177,555
Cummulative Construction Loan balance	8,107,106	10,015,464	11,932,265	13,857,018	15,830,731	17,689,544	19,631,581	22,605,694	25,512,899	25,913,429	26,253,858	29,177,555	0	0
													Cash Balance	-41,877,555
Interest on Construction Loan	25,336	33,780	41,731	49,718	57,738	65,961	73,706	81,798	94,190	106,304	107,973	109,391	0	940,277
Average Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	940,277
Interest on Mezz Financing	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	0	1,029,333
Average Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	1,029,333
COMBINED INTEREST	78,253	86,696	94,648	102,634	110,654	118,878	126,623	134,715	147,107	159,220	160,889	162,308		1,969,610

TEXTBOOK STUDENT SUITES INC.				PROFORMA SUMMARY										Updated: 25-Jun-15			
DRAFT - for discussion purposes only				555 Princess Street, Kingston, Ontario 112 Suites / 335 Residents													
PROJECT STATISTICS / ASSUMPTIONS				COSTS			Per GFA	Per Unit	W.I.P. 25-Jun-15	Balance to Complete	TOTAL	REVENUES					
Type	Suites	Units	Avg. size	Total Area	Land costs:						Units	Avg. NSSF	Total NSSF	Avg. / NSSF	Avg. / Unit	TOTAL	
1 BR	0	0	750.0	0	Land - Purchase	\$15.33	\$20,536	0	2,300,000	2,300,000	1 BR						
2 BR	35	70	750.0	26,250	Land - Appreciation	0.00	0	0	0	0	2 BR	35	750.0	26,250	\$500.00	\$375,000	
3 BR	44	132	1,050.0	48,200	Land - Title Fees / Transfer Tax	0.25	339	0	38,000	38,000	3 BR	44	1,050.0	46,200	\$500.00	\$525,000	
4 BR	33	132	1,200.0	39,600	Development Fees & Levies	11.83	15,845	0	1,774,660	1,774,660	4 BR	33	1,200.0	39,600	\$500.00	\$600,000	
105W Res	112	334	1,000.4	112,058	Planning & Traffic	0.57	693	0	100,000	100,000	112	1,000.4	112,050	\$500.00	\$500,223	\$55,025,000	
Amenity Area				3,380	Site Improvements	1.33	1,788	0	200,000	200,000	RESIDENTIAL - OTHER						
Retail				14,600	Ready Taxes	0.35	452	0	51,750	51,750	Parking	28				\$20,000	
Common Area, Lobby, etc				20,450	Total Land costs	29.76	38,881	0	4,464,410	4,464,410	Bicycle	0				\$400	
Gross Floor Area (above grade)			84.0%	150,000	Hard costs:					Less: Net NEST							
Parking:				Ratio	Required	Provided	General Requirements	\$8.10	\$10,848	0	1,215,000	\$1,215,000	Sundry / Closing	112			\$1,200
Units				1.00	TBD	14	Site Work / Connections	5.40	7,232	0	810,000	810,000	RESIDENTIAL REVENUES				
SE				0.04	TBD	4	Concrete/Formwork/Parking	40.07	53,681	0	6,010,000	6,010,000					
Total # Spaces					TBD	48	Masonry	3.60	4,821	0	540,000	540,000					
Development Schedule:				Start	Completion	Thermal & Moisture Protection	9.00	12,554	0	1,350,000	1,350,000	Leasable					
SALES				Sep-15	Jan-16	Doors & Windows	10.80	14,464	0	1,620,000	1,620,000	Avg. rent					
Average # sales per month					15.0	Finishes	12.60	16,875	0	1,890,000	1,890,000	Annual Net					
CONSTRUCTION				Apr-16	Jul-17	Appliances / Furnishings	13.50	18,080	0	2,025,000	2,025,000	RETAIL VALUE					
# of months					16.0	Amort. Specialties	0.80	1,205	0	135,000	135,000	Retail Valuation					
OCCUPANCY / TITLE CLOSINGS				Aug-17	Nov-17	Conveying Systems	3.80	4,821	0	540,000	540,000	Going-in Cap rate					
Interim Occupancy Assumptions:					Avg/Unit	Mechanical	34.23	45,804	0	5,130,000	5,130,000	RETAIL VALUE					
Selling Price (Average)					\$500,223	Electrical	26.20	33,750	0	3,780,000	3,780,000	Total REVENUES					
Deposit (Average)				20.0%	\$100,045	Upgrades & other	0.00	0	0	0							
Balance due at closing					\$400,173	Construction Management	6.30	8,438	0	945,000	945,000	DEVELOPMENT PROFIT					
Interim Occupancy Rent:						Construction Contingency	3.60	4,821	0	540,000	540,000	Total Revenues					
Interim Occupancy Interest				4.00%	1,333.93	Total Hard costs	187.67	251,339	0	28,150,000	28,150,000	Less: Costs					
Common Area Maintenance				0.42	420.19	Soft costs:					Add: Land Appreciation						
Ready Taxes				1.40%	693.59	Design & Consulting	\$7.98	\$10,688	0	1,198,150	1,198,150	Development Profit					
Monthly Interim Occupancy Rent					\$2,337.71	Legal & Administration	12.76	17,087	0	1,913,700	1,913,700	FINANCING					
Statistics (per):				NSSF	GFA	UNIT	Sales & Marketing	22.06	29,549	0	3,309,060	3,309,060	Mezzanine				
REVENUE				\$215.08	\$384.77	\$172,789	Interest & Finance	1.54	2,849	0	3,231,089	3,231,089	Land - Appreciation				
Hard Cost				\$251.23	\$187.67	\$84,281	Offsetting Income	-3.50	-5,336	0	-597,601	-597,601	Deposits (% / Avg)				
Soft Cost				\$3.04	\$2.03	\$7,857	Soft cost contingency	1.67	2,232	0	250,000	250,000	Deferred costs				
Land Cost				\$9.64	\$9.76	\$3,368	Total Soft costs	\$2.63	\$3,875	0	\$304,389	\$304,389	Construction loan				
CDST				\$374.11	\$279.48	\$125,505	Total COSTS	\$279.48	\$374,275	\$0	\$41,919,809	\$41,919,809	Total Financing				
PROFIT				\$140.87	\$106.31	\$47,289						100.0%					

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
21 25-Jun-15

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Per SF	Per Unit	Notes - Est to complete
REVENUES						
Suites	0	\$6,025,000	\$6,025,000	\$500.00	\$167,740	Per summary
Parking	0	\$60,000	\$60,000			
Bicycle	0	0	0		0	
Upgrades	0	0	0		0	Estimated per unit
Sundry Income	0	134,400	134,400		1,000	Est for closing adj.
Retail	0	5,000,000	5,000,000			Estimated valuation
Less: HST (net of Rebate)	0	-4,004,570	-4,004,570			
Total REVENUES	0	\$7,714,830	\$7,714,830			
COSTS						
LAND						
Land - Purchase	0	2,300,000	2,300,000	\$2,000,000	\$300,000	Land + Broker fee
Land - Appreciation	0	0	0			Deposit 200,000
Land - Title Fees / Transfer tax	0	38,000	38,000	1.90%		
Permland dedication	0	46,760	46,760			
City Dev Charges - Res	0	1,492,400	1,492,400	6,663	13.325	% of land purchase 2.0% of appraised land value 2015 Rates Inflated 2.5%
City Dev Charges - Comm	0	189,500	189,500	14,000	14.25	2015 Rates Inflated 2.5%
Section 37	0	36,000	36,000	1,500	24	Allowance for incr. density ?
Realty Taxes	0	51,750	51,750	20,700	2.50	Est annual tax x 2.5 years
Site improvements	0	200,000	200,000			Allowance
Planning & traffic	0	100,000	100,000			Budget for zoning approvals
Total LAND	0	4,464,410	4,464,410			
CONSTRUCTION						
General Requirements	0	1,215,000	1,215,000	\$8.10	\$10,848	- Applied to GFA 27,000,000
Site Work	0	810,000	810,000	\$5.40	\$7,232	- Applied to parking spaces 25,000
Concrete Formwork/Parking garage	0	6,010,000	6,010,000	\$40.07	\$53,651	Total Construction 28,150,000
Masonry	0	640,000	640,000	\$3.60	\$4,821	Including parking structure
Metals/Balcony railings	0	540,000	540,000	\$3.60	\$4,821	
Carpentry	0	1,080,000	1,080,000	\$7.20	\$9,643	
Thermal & Moisture	0	1,360,000	1,360,000	\$9.00	\$12,054	
Doors & Windows	0	1,620,000	1,620,000	\$10.80	\$14,464	
Finishes	0	1,890,000	1,890,000	\$12.60	\$16,875	
Appliances \ Furniture	0	2,025,000	2,025,000	\$13.50	\$18,080	Includes in-suite furnishings
Amenity	0	135,000	135,000	\$0.90	\$1,205	
Conveying Systems	0	540,000	540,000	\$3.60	\$4,821	
Mechanical	0	5,130,000	5,130,000	\$34.20	\$45,804	
Electrical	0	3,780,000	3,780,000	\$25.20	\$33,750	
Construction Management	0	945,000	945,000	\$6.30	\$3,500	Estimate of % hard costs
Construction Contingency	0	640,000	640,000	\$3.60	2.50%	
Sub-total	0	28,150,000	28,150,000	\$187.57		Allocation: 4.50% 3.00% 18.00% 2.00% 2.00% 4.00% 6.00% 6.00% 7.00% 7.50% 0.50% 2.00% 19.00% 14.00% 3.50% 2.00%
Sole \ Demolition	0	0	0			Included above
Building perm	0	0	0	112.00	0	Included above
Municipal fees	0	0	0		0	Included above
Insurance / Bonding	0	0	0		0.00%	Allowance
Purchaser's upgrades	0	0	0		50.00%	Est at 50% of revenues
Total CONSTRUCTION	0	28,150,000	28,150,000	\$187.57		
DESIGN						
Architect	0	563,000	563,000	26,150,000	2.00%	% of hard costs
Structural Engineer	0	112,500	112,600		0.40%	"
Mechanical & Electrical	0	140,750	140,750		0.50%	"
Landscape Architect	0	50,000	50,000		\$50,000	Allowance
Site Services \ Civil Eng.	0	35,000	35,000		\$35,000	Allowance
Interior Designer	0	44,800	44,800		\$400	
Cost planning	0	15,000	15,000		\$15,000	Allow for take off / CM Contract
Inspection & Site Testing	0	42,000	42,000		\$375	Bulletin 19
Code consultant	0	15,000	15,000		\$15,000	Allowance
Sole \ Geotech \ Environmental	0	50,000	50,000		\$50,000	
Acoustic consultant	0	10,000	10,000		\$10,000	Report
Spinkler consultant	0	10,000	10,000		\$10,000	Report
Vibration consultant	0	10,000	10,000	4	\$2,500	Monthly monitoring
Other consultants \ Studies	0	50,000	50,000		\$50,000	Misc.
Printing & disbursements	0	50,000	50,000		\$50,000	Allowance
Total DESIGN	0	1,196,150	1,196,150			
LEGAL & ADMINISTRATION						
Legal Fees	0	246,400	246,400	\$2,200		Closing + Incorporation
Accounting	0	22,500	22,500	\$7,500		Annual financials
Surveyor	0	44,800	44,800	\$400		Per unit estimate
Misc. Development	0	25,000	25,000			Out of pockets
After sales / Performance audit	0	75,000	75,000	\$75,000		Allowance for after sales/Post registr
Development Management	0	1,500,000	1,500,000	30,000,000	5.00%	% of revenues
Total LEGAL & ADMINISTRATION	0	1,913,700	1,913,700			
SALES & MARKETING						
Marketing & Advertising	0	166,100	166,100	\$1,500		Allowance per unit
Sales Centre - Construction	0	25,000	25,000	1,000	\$25,000	Allowance for modifications
Sales Office - Operations	0	60,000	60,000	12	\$5,000	Staff & overhead for one year
Commissions - Lead Broker	0	780,305	780,305	1.50%	\$52,020,430	Revenue net of HST x
Commissions - Outside Broker	0	1,664,854	1,664,854	4.00%	80.00%	Allowance for 80% co-broke deals
Incentives - Rental Guarantee	0	200,000	200,000	100,000	\$100,000	Rental shortfall + Prop mgmt
Sales Consultant	0	0	0		\$0.00	
Retail - Tenant Inducements	0	350,000	350,000	14,000	\$25,000	Allowance
Retail - Commissions	0	63,000	63,000	18.00%	350,000	5-year deal (6% + (4 x 3%))
Total SALES & MARKETING	0	3,309,050	3,309,050			
FINANCE						
Arrangement fee	0	315,000	315,000	1.50%	21,000,000	Lender \ broker fee (NIC Mezz cost)
Service Charges & misc.	0	5,400	5,400	150	36	Monthly bank charges
Appraisal	0	40,000	40,000	2	20,000	Allowance for 2 Appraisals
Tarion enrolment	0	117,000	117,000	112	\$1,000.00	Enrolment fees + \$5,000 Reg.
Deposit Insurance Fees	0	133,047	133,047	2.5	1.00%	Tarion = 2 yrs / ECDI = 1 yr
Letter of Credit Fees	0	7,500	7,500	1.50%	2	Allowance for \$250,000 K of LC to City
Project Monitor	0	97,500	97,500	15	6,500	Bank's monitor during construction
Mezzanine Financing / Interest (Fees)	0	1,575,280	1,575,280	5,000,000	8.00%	Int rate + 4% bonus + 10% (fee + legals)
Construction Loan Interest	0	940,363	940,363		5.00%	Estimate as per cash flow
Total FINANCE	0	3,231,089	3,231,089			
INTERIM OPERATIONS						
Warranty Reserve	0	0	0		4.0	Estimated # of months for Int. occ.
Operating costs	0	188,244	188,244	\$420.19	47,051	Avg. CAM per month x # Months
Operating taxes	0	261,450	261,450	\$583.59	65,363	Avg. Tax per month x # Months
Occupancy Income	0	-1,047,295	-1,047,295	-\$2,337.71	-261,824	Avg. Int. Cost rent per month x Months
Interest Earned on Deposits	0	0	0		0	Assumed = Interest payable
Total INTERIM OPERATIONS	0	-597,601	-597,601			
CONTINGENCIES						
General	0	250,000	250,000			Allowance
Total CONTINGENCIES	0	250,000	250,000			
Total COSTS	0	41,918,809	41,918,809			

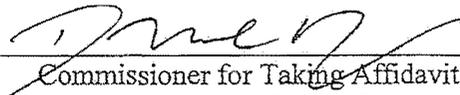
Sales:	Constr Start	Closing
195,077	195,077	390,153
416,163	416,163	832,327
611,240	611,240	1,222,480
5,458	5,458	10,915

Costs	Mezz costs	Net costs
NIC Land App	1,575,280	40,343,529
41,918,809		24,377,094
Net Loan =		

Total	Tarion 2 Yr	Excess 1YR
8,403,750	2,240,000	6,163,750
	56,000	77,047

TAB C

THIS IS EXHIBIT "C"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beckett

From: johndavies55@rogers.com [mailto:johndavies55@rogers.com]
Sent: March 19, 2013 7:35 PM
To: Raj Singh, President <rajsingh100@gmail.com>
Cc: Greg Harris <gregharris@harrisandharris.com>; Bruce Stewart <bwestewart@rogers.com>
Subject: Re: Fwd: Fw: Scollard

Raj:

I think I get where you're coming from and I respond as follows.

The efforts of the development team are extensive and complex. I don't believe your investors fully comprehend the skill, experience and time necessary to achieve a successful outcome on such a complicated development venture.

Feel free to satisfy yourself that our fees are industry standard fees. Believe me Raj, we will earn every penny.

Raj, Bruce and I are not prepared to function as paid consultants on a project that we found, negotiated the purchase agreement, are the borrower, the developer, and the persons most responsible for the successful outcome of the venture.

Each of Bruce, Greg and I will only each earn approximately 12% of the back end and we are accepting that because we think it's a great project; but that is far less than you are earning for yourself.

Every pro-forma projection has shown our 4% development fee since the first iteration back in November. The cash flow shows the monthly fee payments. Neither the quantum of our fee, nor the timing of the payment of our fee has ever been discussed, until now.

Raj, we are prepared to move forward on the basis that our total development fee is paid monthly over the 48 month genesis of the venture. \$3.2 million of development fees will get paid over the full life of the project. That's 48 months to final occupancy and sign over to the condo corp. We anticipate receiving construction financing in approximately 24 months. According to our schedule we will have been paid around \$2 million of the total fee by the time we obtain construction financing.

It strikes me that it's a bit late in our discussions and deliberations to be having a conflict about having faith in us to deliver the project on time and on budget.

If the investors are worried that there isn't going to be construction financing available, they should probably find something less risky (and lucrative) to invest their money in.

To obtain construction financing we're going to be spending millions upon millions of dollars on planners, architects, engineers, marketing, design, sales professionals, lawyers and accountants to get us to the point two years from now where we qualify for construction financing.

Are your investors suggesting we ask the country's finest design and engineering consultants to earn a modest wage until such time as we determine whether we're going to make our projections? Of course not, just as it is inappropriate to ask the development team to work for a wage directing the project.

If your proposal is the only way you're prepared to move forward with us on the project then regrettably we will be withdrawing from participating.

Let's discuss next week.

John.

Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>

Date: Tue, 19 Mar 2013 18:32:48 -0400

To: John Davies<johndavies55@rogers.com>

Cc: Greg Harris<gregharris@harrisandharris.com>; Bruce Stewart<bwstewart@rogers.com>

Subject: Re: Fwd: Fw: Scollard

John:

This is not the same as Tier 1's fees John. Tier 1 makes about 3.5% to 4% on money raised not on total project cost to share amongst partners and pay staff & expenses. We are all betting on making our large upside when the projects are successfully completed.

Regardless, I am not concerned about the quantum of the development fee (I am assuming this is fair market rates and will take your word for it).

What I am concerned about is my complete reliance on you that construction financing will be successfully raised and the projects will be successful.

The development fee being paid out prior to this is an extreme worry for me and makes me very uncomfortable. This allows \$3.2 M of development fees to be withdrawn ahead of even knowing if construction financing can be arranged at all (a discussion that has come up several times).

What makes sense for investors is that a reasonable draw be taken out (and this can be discussed) with the bulk of it being paid out when the construction financing has been successfully arranged. It is therefore tied to performance of successfully obtaining construction financing. This is your area of expertise. If you are uncomfortable with this we should all know upfront.

I have discussed with Greg on the phone and he can share these thoughts better with you rather than doing via email.

I am back on Saturday and we can meet to discuss.

regards

Raj

1 Tue, Mar 19, 2013 at 6:19 PM, <johndavies55@rogers.com> wrote:

The development fees are earned and disbursed monthly starting in month 1. Same as Tier 1's fees.

Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>
Date: Tue, 19 Mar 2013 18:17:39 -0400
To: John Davies<johndavies55@rogers.com>
Cc: Greg Harris<gregharris@harrisandharris.com>; Bruce Stewart<bwstewart@rogers.com>
Subject: Re: Fwd: Fw: Scollard

The timing of the payment of the development fees as it relates to successfully obtaining construction financing to know we have a successful project.

/raj

On Tue, Mar 19, 2013 at 5:58 PM, <johndavies55@rogers.com> wrote:

Discuss what?
Sent from my BlackBerry device on the Rogers Wireless Network

From: rajsingh100@gmail.com
Date: Tue, 19 Mar 2013 14:57:43 -0700 (PDT)
To: <johndavies55@rogers.com>
Cc: Greg Harris<gregharris@harrisandharris.com>
Subject: Re: Fwd: Fw: Scollard

John

We can discuss further next week. I have asked Greg to set up a meeting for us.

Raj

Sent from my BlackBerry 10 smartphone.

From: johndavies55@rogers.com
Sent: Tuesday, March 19, 2013 3:09 PM
To: Raj Singh, President; Bruce Stewart
Reply To: johndavies55@rogers.com
Subject: Re: Fwd: Fw: Scollard

Raj: Regarding Development Fee. We reduced our fee on this project from 5% to 4%. John
Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>
Date: Tue, 19 Mar 2013 13:47:51 -0400
To: Bruce Stewart<bwstewart@rogers.com>
Cc: John Davies<johndavies55@rogers.com>
Subject: Re: Fwd: Fw: Scollard

Bruce:

- 1) What is the estimated size of the construction loan?
- 2) The \$3.2 M development fee is to you & John (The developers)?

/raj

On Tue, Mar 19, 2013 at 1:08 PM, Bruce Stewart <bwstewart@rogers.com> wrote:

Raj,

- 1) The construction loan interest may be slightly understated in an effort to yield the targeted profit you were seeking.
- 2) Given that this building is 3 times the size of Bayview we feel this number is attainable. Bayview will be adjusted downward as we develop the budget I believe.
- 3) Development Fee is a fee to the Developers while Development Charges are those charged by the municipality.
- 4) Development Contingency is a typical 3% and may need to be adjusted upward given the site constraints.

Hope this helps.

Bruce

Bruce Stewart

The Traditions Development Company
 75 Dufflaw Rd. Suite 205
 Toronto, ON M6A 2W4
 Tel: [416.477.7744](tel:416.477.7744) Cell: [416.471.0155](tel:416.471.0155)

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From: Raj Singh <rajsingh100@gmail.com>
To: Bruce Stewart <bwstewart@rogers.com>
Sent: Tuesday, March 19, 2013 9:07:23 AM
Subject: Fwd: Fw: Scollard

Bruce:

A few questions in from some of the equity folks. Please assist me with this. I also have to answer a number of questions for the folks on our team.

- 1) Construction Loan - What Amount and length of time it will be taken for? It is shown as interest charges at \$3M.
- 2) Construction cost @\$190 / sq ft. Everyone seems to think this is low. Any comments. I noticed in John's last email on Bayview he is using a number of \$200 for Bayview, Would Yorkville not be more giving type of facility?
- 3) What is development fee for \$#+M and Development Charges for the \$4M? What is the difference in these 2 line items (maybe best to give a high level of categories).
- 4) Development contingency for such a large project seems quite small at less than \$1M.

There are some other questions but I did not get all of them down. These are some of the bigger questions. Can you please respond and let me know.

thanks

Raj

----- Forwarded message -----

From: <rajsingh100@gmail.com>
 Date: Sat, Mar 16, 2013 at 10:33 AM
 Subject: Fw: Scollard
 To: Kris Parthiban <kris.parthiban@tier1advisory.com>

Proforma.
 Confidential.

Kris, we can discuss to do exec summary.

Raj

Sent from my BlackBerry 10 smartphone.

From: johndavies55@rogers.com
 Sent: Friday, March 15, 2013 2:25 PM
 To: Raj Singh, President
 Reply To: johndavies55@rogers.com
 Cc: Greg Harris; Bruce Stewart
 Subject: Fw: Scollard

Raj: As requested. John
 Sent from my BlackBerry device on the Rogers Wireless Network

From: Bruce Stewart <bwstewart@rogers.com>
 Date: Fri, 15 Mar 2013 11:23:37 -0700 (PDT)
 To: John Davies <johndavies55@rogers.com>
 ReplyTo: Bruce Stewart <bwstewart@rogers.com>
 Subject: Scollard

Here you go.

Bruce Stewart

The Traditions Development Company
 75 Dufflaw Rd. Suite 205
 Toronto, ON M6A 2W4
 Tel: 416.477.7744 Cell: 416.471.0155

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Raj Singh

My Linkedin Profile:

<http://ca.linkedin.com/in/rajsingh100>

From: John Davies [<mailto: johndavies55@rogers.com>]
Sent: May-15-13 9:26 AM
To: 'Raj Singh' <[raisingsh100@gmail.com](mailto: raisingsh100@gmail.com)>
Cc: 'Bruce Stewart' <[bwstewart@rogers.com](mailto: bwstewart@rogers.com)>
Subject: RE: Pro-forma Costs for Scollard Street

I think Bruce has it organized as Gross Proceeds, less HST.

From: Raj Singh [<mailto: raisingsh100@gmail.com>]
Sent: May-15-13 8:44 AM
To: John Davies
Subject: Re: Pro-forma Costs for Scollard Street

Great John. You read my mind. I started to make my notes on the proforma based on yesterday's discussions.

Do you want to show the Sales inclusive of GST and net it out back? Your call.

/raj

On Wed, May 15, 2013 at 4:18 AM, John Davies <[johndavies55@rogers.com](mailto: johndavies55@rogers.com)> wrote:

Good morning, Bruce:

In advance of our pro-forma working session this morning at 11:00 am, I thought I'd fire you off the recent costing / revenue changes that have evolved in recent days that we should have reflected in the pro-forma.

Hard Costs:

Construction Tower: 140,000 sq. ft. of gfa @ \$260.00 per sq. ft. Say, \$36 million.

Construction Underground / Shipping / Garbage / Loading: 15,000 sq ft. hard cost @ \$150.00 per sq. ft.

Retail: 12,000 sq. ft. on Scollard @ \$300.00 per sq. ft.

Automated Parking Hard Cost: 20,000 sq. ft. @ \$150.00 per sq. ft.

Automated Parking Fit-out Systems: 80 stalls @ \$25,000 per stall.

Common Area Finishes / Lobby / Amenity Rooms: 10,000 sq. ft. \$350.00 per sq. ft.

ADD: Purchaser Upgrade Costs: \$50.00 per sq. ft. saleable (120,000 sq. ft.)

LAND COST: \$12,000,000.

SOFT COSTS:

Architect and Planning 3.5% of Hard Costs

Other consultants: (M+E) 1.5% of Hard.

Interior Design: 1.0% of Hard

Marketing Costs: 2% of Hard and Soft

Sales Commissions 3.5% of Gross Sales Revenues.

Interest Costs for Tier 1 As-is.

Softs Costs should be about 40% - 50% of Hard Costs.

All-in Hard and Soft Costs are roughly \$80 million, or \$600 per sq. ft. all-in.

Development Fee: 4% of Hard and Soft Costs.

Construction Mgt. Fee of 4% of Hard Costs.

All-in HARD and SOFT and LAND should be \$650.00 - \$700.00 per sq. ft.

Adjust Contingencies to meet the All-In budget.

GROSS SALES:

Let's say 120,000 sq. ft. net saleable area @ \$1000.00 per sq. ft. average. \$120 million.

Less: HST @ say 9% (\$10 million).

Add: Purchaser Upgrade Revenues @ \$75.00 per sq. ft saleable (120,000 sq. ft.)

Parking Revenues 80 stalls @ \$70,000. Per stall.

Locker Revenues 120 Lockers @ \$15,000 per locker.

Our Projected Profit should be around \$250.00 per sq. ft. Saleable or \$30 million. All in costs should be say, \$80 million or say, \$575.00 per sq. ft Gross: vs Revenues (after hst) of \$110 million, or say \$940.00 per sq. ft. (?) x 120,000 sq. ft. If you need to play with the numbers up or down, consider simply adjusting the AREA per sq. ft. of SALEABLE.

If the \$8 million Equity Lender is called upon to offer their covenant, we'll pay 0.75% per month as a "Credit Enhancement Fee" Maybe we'll want to add that as a soft cost line item now.

That's it for now. I'm working on the lower level shipping receiving and parking access / lobby sketches.

See you at 11:00 am.

John.

Raj Singh

My Linkedin Profile:

<http://ca.linkedin.com/in/rajsingh100>



From: John Davies <johndavies55@rogers.com>
Sent: May 24, 2017 1:26 PM
To: "Dianna Cassidy"
Subject: FW: Typical MC Facility
Attachments: TDC_MemoryCareTypical_Proforma_60.xls

For the Pro-forma Drop box file.

From: John Davies [mailto:johndavies55@rogers.com]
Sent: November 11, 2013 3:03 PM
To: 'colman.obrien@tier1advisory.com' <colman.obrien@tier1advisory.com>
Cc: 'raj.singh@tier1advisory.com' <raj.singh@tier1advisory.com>; 'Gregory Harris' <GregHarris@harrisandharris.com>; 'Bruce Stewart' <bwstewart@rogers.com>
Subject: FW: Typical MC Facility

Hello Colman:

Per your request, please find attached our "Standard" development pro-forma for a typical Memory Care project.

Please do not hesitate to contact either Bruce or myself with any questions.

Regards,

John.

From: Bruce Stewart [mailto:bwstewart@rogers.com]
Sent: November 11, 2013 2:50 PM
To: John Davies
Subject: Typical MC Facility

John,

Please see attached for your review.

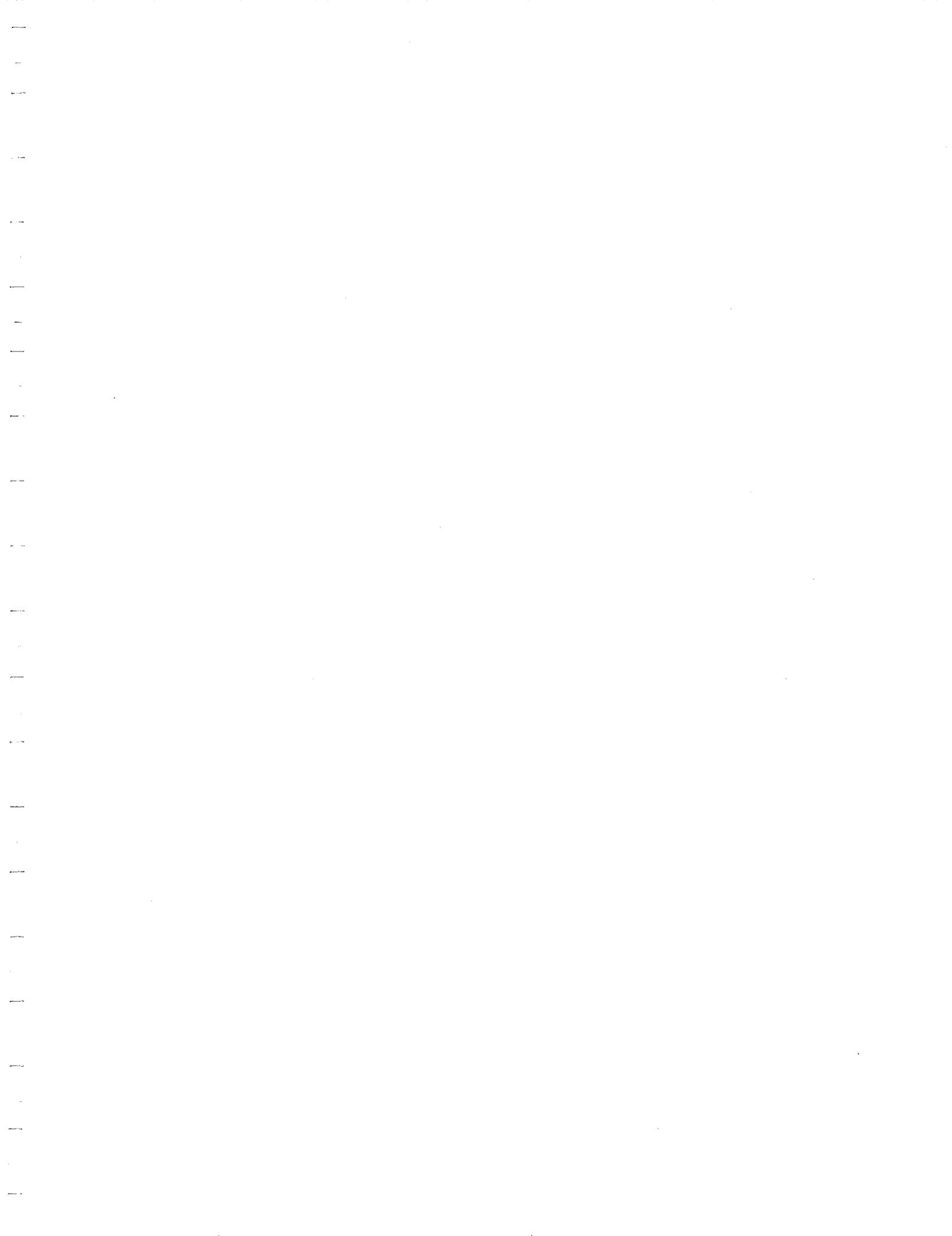
Thanks.

Bruce

Bruce Stewart

Traditions Development Company
51 Caldari Rd, Suite M1
Vaughan, ON L4K 4G3
: 416.477.7744 Cell: 416.471.0155

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From: John Davies <johndavies55@rogers.com>
Sent: May 24, 2017 1:42 PM
To: "Dianna Cassidy"
Subject: FW: Textbook Student Housing Suites Inc.

Pro-forma drop box file please.

From: John Davies [mailto:johndavies55@rogers.com]
Sent: March 30, 2015 1:17 PM
To: 'Gregory Harris' <GregHarris@harrisandharris.com>; 'rajsingh100@gmail.com' <rajsingh100@gmail.com>
Cc: 'GXUDC' <walter@gxudc.com>; 'Chris Giamou' <chris@memorycare.ca>; 'Nicole Cristiano' <NicoleCristiano@harrisandharris.com>
Subject: Textbook Student Housing Suites Inc.

Gentlemen:

Chris advises he is meeting with Raj tomorrow to review the Ross Park pro-forma. I am wondering if we shouldn't all participate in a meeting with a wider agenda?

As you know, we waived conditions last week on the purchase of the Ross Park property on Richmond Street in London. Michael Cane is working on the Ross Park appraisal based on a new suite matrix. We expect to have his final appraisal to g this week for Greg to provide to Peter Tuovi.

Walter has been negotiating the business terms for the purchase of the Ottawa U. and Carleton U. sites in Ottawa. A few weeks ago we presented a spreadsheet which set out three student housing sites and the quantum and timing of the Tier 1 raises associated with pursuing those deals. It was left that Raj was going to discuss these deals with his group and we'd circle back for a more meaningful discussion on what is achievable from a financing perspective. Walter's discussions (negotiations) are stalled in a bit of a vacuum without further input from Raj on what is achievable, and we do not want to make commitments to vendors that we can't honour. I know Raj has been exploring larger investor opportunities

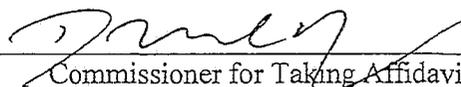
May I suggest that we have a full team meeting to review Ross Park pro-forma, schedule, Tier 1 raises and timing, an update on larger investor initiatives, and the status of the Textbook incorporation documents. Wednesday is good for me. Are you all available to meet at Greg's office Wednesday? Can I say 10:00 am?

Thanks,

John.

TAB D

THIS IS EXHIBIT "D"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckett



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #65

29530-0018 (LT)

PAGE 1 OF 5
PREPARED FOR AmCormick
ON 2017/07/11 AT 14:43:51

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.

PROPERTY REMARKS: S/T SUBSECTION 44(1) OF THE LAND TITLES ACT, R.S.O. 1990 EXCEPT PARAGRAPHS 3 & 14 THEREOF.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
CONDOMINIUM FROM 03381-0204

PIN CREATION DATE:
2003/07/21

OWNERS' NAMES
DAVIES, JUDITH LENORE
DAVIES, JOHN EVAN

CAPACITY SHARE
TRST
TRST

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/07/21 **						
R536601	1990/03/07	AGREEMENT				C
		REMARKS: R505559 - REMARKS ENTERED	IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCHUK			
R555403	1990/11/02	AGREEMENT				C
R578113	1991/09/17	AGREEMENT				C
		REMARKS: R422769 - REMARKS ENTERED	IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCHUK			
R593261	1992/04/27	AGREEMENT				C
		REMARKS: R505559 - REMARKS ENTERED	IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCHUK			
R645280	1994/08/16	AGREEMENT				C
R652983	1995/01/05	AGREEMENT				C
R672975	1996/02/09	AGREEMENT				C
LT1525322	2000/09/13	NOTICE AGREEMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING PENFUND CAPITAL (NO.1) LIMITED ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEMS	C
		REMARKS: SITE PLAN DEVELOPMENT				
YR61887	2001/10/17	NOTICE AGREEMENT		CLUBLINK CORPORATION	THE REGIONAL MUNICIPALITY OF YORK	C
YR64939	2001/10/25	NOTICE AGREEMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
YR93236	2002/01/07	NOTICE AGREEMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING PACIFIC LIFE INSURANCE COMPANY	C
YR242719	2002/12/09	NOTICE		THE REGIONAL MUNICIPALITY OF YORK		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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ServiceOntario

LAND
REGISTRY
OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

29530-0018 (LT)

PAGE 2 OF 5
PREPARED FOR AMcCormick
ON 2017/07/11 AT 14:43:51

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR257651	2003/01/17	NO SUB AGREEMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
YR257732	2003/01/17	NOTICE AGREEMENT		CLUBLINK CORPORATION CCCC KING VALLEY LTD.	THE CORPORATION OF THE TOWNSHIP OF KING	C
		REMARKS: SITE PLAN AGT.				
YR257872	2003/01/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	HSBC BANK CANADA	
YR257880	2003/01/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	CLUBLINK CORPORATION	
YR268936	2003/02/17	NOTICE		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	CLUBLINK CORPORATION	
		REMARKS: YR257880				
YR273427	2003/02/28	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** CLUBLINK CORPORATION	HSBC BANK CANADA	
		REMARKS: YR257880 TO YR257872				
YRCP999	2003/07/10	PLAN CONDOMINIUM				C
YR325496	2003/07/10	DECLARATION CONDO		CCCC KING VALLEY LTD.		C
YR331491	2003/07/23	NOTICE		THE CORPORATION OF THE TOWNSHIP OF KING	CCCC KING VALLEY LTD.	C
YR337354	2003/08/01	APL ANNEX REST COV		CCCC KING VALLEY LTD.		C
		REMARKS: FOR 20 YRS FROM DATE OF REGISTRATION OF YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999.				
YR338671	2003/08/06	CONDO BYLAW/98		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: BY-LAW #1				
YR338672	2003/08/06	CONDO BYLAW/98		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: BY-LAW #2				
YR338673	2003/08/06	CONDO BYLAW/98		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: BY-LAW #3				
YR338674	2003/08/06	CONDO BYLAW/98		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: BY-LAW #4				
YR338675	2003/08/06	CONDO BYLAW/98		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: BY-LAW #5				

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR340411	2003/08/11	APL DEL EXECUTION		*** COMPLETELY DELETED *** CLUBLINK CORPORATION CCCC KING VALLEY LTD.		
YR342172	2003/08/13	TRANSFER EASEMENT	\$2	YORK REGION VACANT LAND CORPORATION NO. 999	HYDRO ONE NETWORKS INC.	C
YR506810	2004/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
		REMARKS: RE: YR257872				
YR506814	2004/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** CLUBLINK CORPORATION		
		REMARKS: RE: YR257880				
YR506823	2004/07/23	TRANSFER		*** COMPLETELY DELETED *** CCCC KING VALLEY LTD.	WRIGHT, GARY JOHN WRIGHT, ELIZABETH HENRIETTA	
YR506824	2004/07/23	CHARGE		*** COMPLETELY DELETED *** WRIGHT, GARY JOHN WRIGHT, ELIZABETH HENRIETTA	NATIONAL BANK OF CANADA	
YR871966	2006/08/25	TRANSFER		*** COMPLETELY DELETED *** WRIGHT, ELIZABETH HENRIETTA WRIGHT, GARY JOHN	ANDREWS, MARIA.	
YR905808	2006/11/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
		REMARKS: RE: YR506824				
YR933100	2007/01/05	CHARGE		*** COMPLETELY DELETED *** ANDREWS, MARIA	SCOTIA MORTGAGE CORPORATION	
YR981992	2007/05/07	CHARGE		*** COMPLETELY DELETED *** ANDREWS, MARIA	CANADIAN IMPERIAL BANK OF COMMERCE	
YR1032093	2007/08/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCOTIA MORTGAGE CORPORATION		
		REMARKS: RE: YR933100				
YR1042387	2007/08/24	DECLARATION CONDO	\$70	YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
		REMARKS: AMENDMENT TO YR325496				

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Ontario ServiceOntario

LAND
REGISTRY
OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

29530-0018 (LT)

PAGE 4 OF 5
PREPARED FOR AMcCormick
ON 2017/07/11 AT 14:43:51

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CORRECTIONS: 'AMOUNT' CHANGED FROM '\$ 0.00' TO '\$ 70.00' ON 2007/08/27 BY THERESA MALLORY.						
YR1677300	2011/07/12	TRANSFER	\$975,000	ANDREWS, MARIA	DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	C
YR1677301	2011/07/12	CHARGE		*** COMPLETELY DELETED *** DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	
YR1677302	2011/07/12	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	
REMARKS: YR1677301.						
YR1689305	2011/08/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: YR981392.						
YR2235381	2014/12/19	CHARGE	\$1,950,000	DAVIES, JOHN EVAN DAVIES, JUDITH LENORE	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	C
YR2248662	2015/01/28	LIEN		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
REMARKS: TAX LIEN						
YR2259162	2015/02/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** MOSKOWITZ CAPITAL MORTGAGE FUND II INC.		
REMARKS: YR1677301.						
YR2260075	2015/02/26	CHARGE		*** COMPLETELY DELETED *** DAVIES, JOHN EVAN DAVIES, JUDITH LENORE	GENERALS HOCKEY INC. GENERALS HOCKEY HOLDINGS INC. OSHAWA JUNIOR "A" HOCKEY CLUB LIMITED	
YR2260106	2015/02/26	LIEN	\$204,364	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
YR2434082	2016/02/23	LIEN	\$28,673	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
REMARKS: INCOME TAX						
YR2590860	2016/12/05	LIEN	\$145,898	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C

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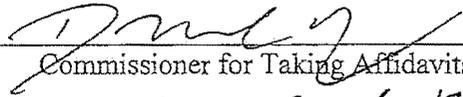
* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2657827	2017/04/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** GENERALS HOCKEY INC. GENERALS HOCKEY HOLDINGS INC. OSHAWA JUNIOR "A" HOCKEY CLUB LIMITED		
		REMARKS: YR2260075.				
YR2682298	2017/06/08	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	KSV KOFMAN INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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TAB E

THIS IS EXHIBIT "E"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Becton

Properties

PIN 29530 - 0018 LT *Interest/Estate* Fee Simple
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST, THE DESCRIPTION OF THE CONDOMINIUM PROPERTY
 IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name DAVIES, JOHN EVAN
Address for Service 24 Country Club Drive, King City,
 Ontario, L7B 1M5

I am at least 18 years of age.

Judith Leonore Davies and I are spouses of one another and are both parties to this document

This document is not authorized under Power of Attorney by this party.

Name DAVIES, JUDITH LENORE
Address for Service 24 Country Club Drive, King City,
 Ontario, L7B 1M5

I am at least 18 years of age.

John Evan Davies and I are spouses of one another and are both parties to this document

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
Address for Service 2200 Yonge Street, Suite 1002, Toronto, Ontario, M4S 2C6

Statements

Schedule: See Schedules

Provisions

Principal \$1,950,000.00 *Currency* CDN
Calculation Period see schedule
Balance Due Date 2015/08/01
Interest Rate see schedule
Payments \$19,012.50
Interest Adjustment Date 2015 01 01
Payment Date 1st day of each month
First Payment Date 2015 02 01
Last Payment Date 2015 08 01
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor

Additional Provisions

See schedule.

Schedule "A"

The principal sum secured by the within mortgage is \$1,950,000.00 bearing interest at a rate of the greater (on a monthly basis) of 11.70% per annum, or the TD Canada Trust posted bank prime rate of interest plus 8.70% per annum, calculated and compounded interest only monthly, and payable monthly and having a term of six (6) months.

Prepayment Privileges:

The mortgage is closed.

Purchaser Approval:

The Charge/Mortgage will be considered to be in default if the borrower sells, transfers or otherwise disposes of the property or any interest therein to a purchaser not approved by the mortgagee in writing.

The mortgagor agrees that any subsequent financing and refinancing of the property is subject to the approval of the mortgagee.

The Mortgagor and Guarantor hereby represent and warrant that they have the ability to service the mortgage debt.

The mortgagor agrees that the mortgagee shall charge a penalty of \$350.00 for payments not made when due or for any payments not honoured and the Mortgagor hereby waves notice of dishonour.

The mortgagor further agrees that in the event that the Mortgagee goes into possession of the property, a ten percent (10%) property management fee will be charged to the Mortgagor by the Mortgagee.

The mortgagor agrees that in the event of a sale, conveyance, lease, or transfer of the title to the mortgaged property to a purchaser, grantee, transferee, mortgagee, or lessee not approved in writing by the Mortgagee, then at the option of the Mortgagee, all monies secured under the mortgage shall forthwith become due and payable.

The mortgagor agrees that prior to registration of the mortgage documents, the mortgagor shall provide to the Mortgagee or its solicitors, with evidence that the property herein is adequately insured with an insurance company satisfactory to the Mortgagee and such insurance may be straight insurance, but if the Mortgagee so request, then such insurance must be provided for boiler coverage, liability, insurance loss of profits, or rental insurance as the case may be. The Mortgagor shall provide a certified copy of such insurance policy to the Mortgagee or its solicitors, denoting loss payable to the Mortgagee, such insurance policy shall insure the mortgage property for the principal amount secured by the Mortgage. Co-insurance is not acceptable. All insurance is subject to review by the Mortgagee's insurance consultant at the cost of approximately \$400.00 to the mortgagors.

Any tax bills issued and unpaid at the interest adjustment date are to be paid in full from the proceeds of this mortgage loan.

The occurrence of an event of default under any one security document held by the Mortgagee will constitute an event of default under all other security documents and loans held by the mortgagee, or in the name of any associated or affiliated corporation. If the mortgagee takes any proceeding pursuant to this mortgage or other security document by reason of the mortgagors' default, the mortgagee shall be entitled to add to the mortgage debt a service and administrative fee and a property inspection fee in addition to all other fees, costs, claims or demands to which the mortgagee is also entitled.

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not accept any offer to finance (the "Offer") respecting a loan to be secured by the whole or any part of the Lands and Premises without first giving the Mortgagee an opportunity to match such Offer. Accordingly, if the Mortgagor receives a bona fide Offer during the term of the Mortgage or any subsequent renewal thereof, which the Mortgagor is willing

to accept, the Mortgagor shall deliver a copy of the proposed Offer to the Mortgagee, and the Mortgagee shall have 5 business days following receipt of same to provide such financing of the Lands and Premises by delivering to the Mortgagor a signed mortgage loan commitment letter (the "Commitment") with the same terms and conditions as the Offer, which the Mortgagor shall immediately accept. If the Mortgagee has not delivered a Commitment to the Mortgagor within 5 business days following receipt of same by the Mortgagee, the Mortgagee shall be deemed not to have exercised the right of first refusal and the Mortgagor may accept the Offer. If for any reason the Mortgagee does not exercise the right of first refusal and the Mortgagor does not complete the Offer of financing which had been received, the right of first refusal of the Mortgagee shall continue in effect.

Nothing herein shall be deemed a waiver of the Mortgagee's right to a prepayment penalty as set out in the Mortgage or a waiver of any of the Mortgagor's covenants under the Mortgage.

The mortgagor agrees that the execution and/or registration of the security shall not operate as a merger of the remedies and provisions contained in the Mortgage Commitment Dated December 16, 2014, as amended, and the remedies and provisions contained in the Mortgage Commitment dated December 16, 2014 and amendments thereto, shall remain intact and be capable of enforcement against the mortgagors and guarantors and all other persons liable in respect thereof.

In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date, or fails to accept a renewal offer tendered by the mortgagee (for any reason not attributable to the mortgagee) within 10 business days of the maturity date, then the mortgagee may at its sole option, automatically renew the mortgage on a month to month basis, at an interest rate equal to the TD Canada Trust Prime Lending Rate plus 15% per annum, calculated and payable monthly. In the event that the Mortgagee chooses not to renew, then there will be no further extensions, and the mortgagee will exercise its remedies under the mortgage charge. The mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing mortgage shall continue to apply. The mortgage may be paid in full at any time during the one month renewal period. A Processing Fee which is the greater of \$1,000.00 or 2.00% of the outstanding balance shall be added to the principal balance if this extension is utilized.

The mortgagor and guarantors irrevocably agree to indemnify and hold the mortgagee harmless from and against any loss, cost, liability or expense incurred as a result of the enforcement for any claims for Brokerage, Legal, Appraisal, Finders Fees, or any other matter in relation to this loan. It is understood that neither the preparation nor the registration of any of the documents contemplated by the Mortgage Commitment dated December 16, 2014, as amended, shall bind the mortgagee or Moskowitz Capital Management Inc. to advance the funds hereby intended to be secured. Moskowitz Capital Management Inc. may refer to this property/mortgage and its general terms and conditions in its corporate advertising.

All loan costs, including Brokerage Fees, Commitment Fees, legal appraisal and survey costs, as well as insurance premiums in connection with the application and any resulting loan, are to be paid by the mortgagor and guarantors whether or not money is advanced under this loan, and may be deducted from the proceeds of the loan. The Mortgagee will charge a reasonable fee for the preparation of the Mortgage Discharge Statement, and the Mortgagees solicitor will charge a reasonable fee for the preparation of the Discharge of Mortgage.

Any payment (other than payment of regular payments of principal and interest) that is made after 1:00 p.m. on any date, shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

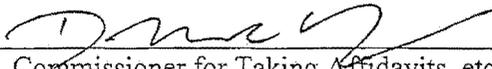
The following is the mortgagee's current schedule of administration and servicing fees. The mortgagee reserves the right to charge reasonable fees for other administrative services.

\$350.00	Missed Payment Fee: Payable for each missed or late instalment and for processing each NSF cheque or other returned payment;
\$400.00	Breach of undertaking and/or failure to provide satisfactory confirmation of payments within a timely fashion;
\$250.00	Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements;
\$500.00	Default Proceedings: Payable for each act or proceeding instituted;
\$75.00	Mortgage Statements: For preparation of each statement;
\$300.00	Purchaser Approval: For processing each application for assumption, whether or not, approved or completed;
\$800.00	Possession: For attending to take possession following default;
\$125.00	Maintenance: For administering maintenance and security of the property in our possession, per day;
\$500.00	Discharge Fee: for administering the discharge of one property. \$250.00 for each additional property.
\$1,000.00	Tax Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments;
\$1,000.00	Prior encumbrance default fee: For failure by the Borrower(s)/Guarantor(s) to provide satisfactory confirmation prior encumbrances are in good standing.
\$200.00	Annual Tax Account Administration Fee: For administering and servicing the tax account.
\$350.00	Subsequent Advance Fee/Construction Draw fee

The Mortgagee reserves the right to charge reasonable fees for other administrative services.

TAB F

THIS IS EXHIBIT "F"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beulah

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service Canada Revenue Agency
 5001 Yonge Street
 North York, Ontario
 M2N 6R9

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Paul A Lourie 5001 Yonge St., 17th floor acting for Signed 2015 01 28
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2015 01 28
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE
INCOME TAX ACT

CONSIDERATION:\$211,017.17

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority en, or a binding interest in property that the tax debtor holds;

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES)

is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$211,017.17 at the date of issuance of the Certificate in Court File Number ITA-14767-14 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES)

has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service Canada Revenue Agency
 5001 Yonge Street
 North York, Ontario
 M2N 6R9

This document is not authorized under Power of Attorney by this party.
 This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Paul A Lourie 5001 Yonge St., 17th floor acting for Signed 2015 02 26
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2015 02 26
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
 Total Paid \$60.00

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE
INCOME TAX ACT

CONSIDERATION: \$204,364.32

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS JOHN DAVIS (SOMETIME KNOWN AS JOHN EVAN DAVIES) is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$204,364.32 at the date of issuance of the Certificate in Court File Number ITA-14523-14 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS JOHN DAVIS (SOMETIME KNOWN AS JOHN EVAN DAVIES) has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JOHN DAVIS (SOMETIME KNOWN AS JOHN EVAN DAVIES) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service Canada Revenue Agency
 5001 Yonge Street
 North York, Ontario
 M2N 6R9

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Paul A Lourie 5001 Yonge St., 17th floor acting for Signed 2016 02 23
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2016 02 23
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$62.85
Total Paid \$62.85

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE
INCOME TAX ACT

CONSIDERATION: \$28,673.85

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$28,673.85 at the date of issuance of the Certificate in Court File Number ITA-13993-15 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS the Certificate that was issued on December 1, 2015 was amended by way of Amendment of Certificate issued on February 18, 2016 so that the reference to "Judith Davis" reads as reference to Judith Davis (sometime known as Judith Lenore Jackson and Judith Lenore Davies);

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.



Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING, S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496, S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service CANADA REVENUE AGENCY
 5800 HURONTARIO STREET
 MISSISSAUGA, ONTARIO
 L5R 4B4

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Anthony Starcevic 5800 Hurontario Street acting for Signed 2016 12 05
 Mississauga Applicant(s)
 L5A 4E9

Tel 905-566-6157

Fax 905-615-2349

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

CANADA REVENUE AGENCY 5800 Hurontario Street 2016 12 05
 Mississauga
 L5A 4E9

Tel 905-566-6157

Fax 905-615-2349

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
Total Paid \$63.35

File Number

Claimant Client File Number : ITA-11470-16

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE
INCOME TAX ACT

CONSIDERATION: \$145,898.91

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS JOHN EVAN DAVIES (SOMETIME KNOWN AS JOHN DAVIS)

is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$145,898.91 at the date of issuance of the Certificate in Court File Number ITA-11470-16 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

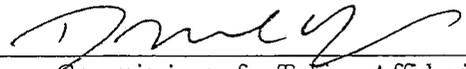
AND WHEREAS JOHN EVAN DAVIES (SOMETIME KNOWN AS JOHN DAVIS)
has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JOHN EVAN DAVIES (SOMETIME KNOWN AS JOHN DAVIS) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.

TAB G

THIS IS EXHIBIT "G"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckwith

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

KSV KOFFMAN INC., IN ITS CAPACITY AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

Plaintiff

and

JOHN DAVIES AND AEOLIAN INVESTMENTS LTD.

Defendants

UNDERTAKINGS AND QUESTIONS TAKEN UNDER ADVISEMENT FROM THE EXAMINATION FOR DISCOVERY OF JOHN EVAN DAVIES CONDUCTED ON JUNE 16, 2017 BY JONATHAN BELL

No.	Page	Question	Undertaking / Under Advisement / Refusal	Answer
1.	17	77	Update Schedule "A" for Aeolian to provide a detailed list of all shareholdings, including percentage of each company.	An updated statement of assets and liabilities for Mr. Davies and Aeolian is attached. Please note the \$100,000 loan included in Mr. Davies' statement of liabilities which was inadvertently omitted from his prior statement. Please also note the correction to Aeolian's statement of assets. Aeolian does not hold a direct interest in Textbook Ross Park Inc., Textbook (774 Bronson Avenue) Inc., Textbook (445 Princess Street) Inc. or GenerX (Byward Hall) Inc.
2.	21	94	Provide the exact balance of the mortgage outstanding on the house.	The total amount outstanding as at June 12, 2017 is \$858,990.99, which is comprised of \$768,877.00 in principal, \$58,982.35 in interest, \$24,027.41 in prepayment interest, \$4,546.73 in compounded interest and \$2,557.50 in costs.
3.	24-25	109	Produce all documents relating to the flow of funds from the sale of the cottage.	See attached.
4.	24-25	109	To the extent it is not addressed by #3 above, produce documents relating to the allocation and cross-collateralization of the Moskowitz mortgage.	See documents produced in response to question 109 above.

5.	25	111	Advise who owns the house at 24 Country Club Drive.	John Davies and Judith Davies own the house in their capacities as trustees for the Davies Family Trust.
6.	32	149	Produce the Declaration of Trust or other founding documents for the Davies Family Trust.	The Declaration of Trust was produced on June 27, 2017.
7.	34-35	160	Produce the Declaration of Trust and any other constating documents for the Arizona Trust.	These documents were produced on June 27, 2017.
8.	37-38	178	Provide a list of all companies for which John Evan Davies was either a director or an officer.	To the best of his knowledge and recollection, Mr. Davies believes that he is or was a director or officer of the following companies: <ul style="list-style-type: none">- McMurray Street Investments Ltd.- Memory Care Investments (Oakville) Ltd.- Memory Care Investments (Kitchener) Ltd.- Memory Care Burlington Ltd.- 1703858 Ontario Inc.- 2372519 Ontario Inc.- Scollard Development Corporation- Lafontaine Terrace Management Corporation- Memory Care Management Ltd.- Memory Care Investments Ltd.- Textbook Suites Inc.

				<ul style="list-style-type: none">- Textbook Student Suites Inc.- Textbook Ross Park Inc.- Textbook (555 Princess Street) Inc.- Textbook (525 Princess Street) Inc.- Textbook (445 Princess Street) Inc.- Textbook (774 Bronson) Inc.- GenerX (Byward Hall) Inc. (formerly Textbook (256 Rideau Street) Inc.)- Memory Care Investments (Victoria) Inc.- Memory Care Investments (Ottawa) Inc.- McKenzie Marsh Investments Ltd.- Generals Hockey Holdings Inc.- Oshawa Generals Inc.- Newmarket Hurricanes Inc.- GenerX Development Partners Inc.- Muskoka Holiday Properties Inc.- 1154120 Ontario Inc.- Textbook Student Suites Property Corporation- Textbook Construction Inc.
9.	43	200	Produce the loan agreements and documents evidencing loans between TSI, TSSI, MCIL and	A matrix setting out the aggregate intercompany loans made between the Textbook and Memory Care entities was produced in the "Overview"

			the development companies.	<p>binder provided to Bennett Jones on June 23, 2017. An electronic copy is attached.</p> <p>All intercompany loans were recorded in the companies' accounting records at the time the loans were made. Mr. Davies has been unable to locate any other documents.</p>
10.	44-45	207	Advise whether TSI, TSSI or MCIL ever transferred any money to John Evan Davies, a Davies family member, the Davies Family Trust, the Arizona Trust or Aeolian.	<p>According to TSI's records:</p> <ul style="list-style-type: none">- TSI made total payments of \$397,664.92 to Aeolian. There was also a \$20,000.00 loan in October 2016 which was repaid.- TSI made total payments of \$2,603.22 to Sarah Davies. <p>According to TSSI's records:</p> <ul style="list-style-type: none">- TSSI made total payments of \$373,471.09 to Aeolian.- TSSI made total payments of \$2,656.80 to Sarah Davies. <p>According to MCIL's records:</p> <ul style="list-style-type: none">- Between August 2013 and present, MCIL made total payments of \$315,846.85 to Aeolian.- MCIL made total payments of \$105,890.49 to Sarah Davies. <p>Spreadsheets itemizing the above are attached.</p>

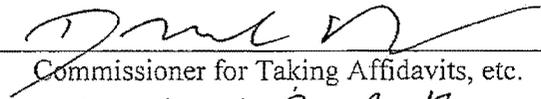
11.	45	207	Produce a list of all projects in which TSI, TSSI or MCIL had or have an interest.	<p>TSI has an interest in GenerX (Byward Hall) Inc. (formerly Textbook (256 Rideau Street) Inc.), Textbook (445 Princess Street) Inc. and Textbook (774 Bronson) Inc.</p> <p>TSSI has an interest in Textbook Ross Park Inc., Textbook (525 Princess Street) Inc., Textbook (555 Princess Street) Inc., Textbook Student Suites Property Corporation and Textbook Construction Inc.</p> <p>MCIL has an interest in Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., and Memory Care Burlington Ltd.</p>
12.	48-49	220	Advise whether John Evan Davies or any entity related to him (family members, Davies Family Trust, Arizona Trust, any company in which he has a shareholding) has an interest in 2372519 Ontario Ltd.	Aeolian is a 50% shareholder of 2372519 Ontario Ltd.
13.	49-50	222	Advise of the shareholding structure for 237 Ontario Ltd.	Aeolian and Dachstein Holdings Inc. are each 50% shareholders of 2372519 Ontario Ltd.
14.	50	223	Produce a copy of the appraisal conducted on the Kitchener property when it was sold to the Kitchener entity.	A copy was provided on June 27, 2017.
15.	51-52	226	Advise of the ownership / shareholding	Memory Care Investments Ltd. is the sole

			structure for Lafontaine Terrace Management.	shareholder of Lafontaine.
16.	53	231	Produce any loan agreement between the Development Companies and Lafontaine.	No agreement exists.
17.	63-64	249	Produce tax returns for Davies and Aeolian for the last five years.	This question was taken under advisement in order to agree upon terms for production. Mr. Davies and Aeolian are prepared to produce income statements and capital gains statements from their tax returns over the last five years.
18.	92-93	368	Produce all invoices related to management fees paid by TSI, TSSI or MCIL to Aeolian.	A matrix setting out the total management fees paid by the development companies was produced in the "Overview" binder provided to Bennett Jones on June 23, 2017. An electronic copy is attached. All payments in respect of management fees were recorded in the companies' accounting records at the time the loans were made. Mr. Davies has been unable to locate any other documents.
19.	96	383	Produce any records relating to the payment of Davies' \$250k dividend (relating to one of the projects) to Singh to repay the \$200k loan from Tier 1 by way of cheque dated February 27, 2015.	See attached.
20.	115-	466	Produce the appraisal for the Arizona property.	See attached.

	116			
21.	117	472	Produce the pro formas.	The pro formas for each development project were produced on June 27, 2017 in project-specific binders.

TAB H

THIS IS EXHIBIT "H"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Becton

NOTICE OF SALE UNDER MORTGAGE

TO: JOHN EVAN DAVIES, 24 Country Club Drive, King City, Ontario L7B 1M5
 TO: The Spouse of John Evan Davies, 24 Country Club Drive, King City, Ontario L7B 1M5
 TO: JUDITH LENORE DAVIES, 24 Country Club Drive, King City, Ontario L7B 1M5
 TO: The Spouse of Judith Lenore Davies, 24 Country Club Drive, King City, Ontario L7B 1M5
 TO: Her Majesty The Queen in Right of Canada as represented by the Minister of National Revenue, Canada Revenue Agency, 17 floor, 5001 Yonge Street, Toronto, Ontario M2N 6R9
 TO: Her Majesty The Queen in Right of Canada as represented by the Minister of National Revenue, Canada Revenue Agency, 5800 Hurontario Street, Mississauga, Ontario L5A4E9.
 TO: KSV Kofman Inc., c/o Bennett Jones LLP, 3400, One First Canadian Place, Toronto, Ontario M5X 1A4, Attention: Sean Zweig and Jonathan Bell.

TAKE NOTICE that default has been made in payment of the moneys due under a certain Charge/Mortgage of Land dated the 19th day of December, 2014, made between

JOHN EVAN DAVIES and JUDITH LENORE DAVIES as Chargors/Mortgagors,

-and-

MOSKOWITZ CAPITAL MORTGAGE FUND II INC. as Chargee/Mortgagee,

upon the following property, namely:

PIN 29530-0018 being Unit 18, Level 1, York Region Vacant Land Condominium Plan No. 999 and its Appurtenant Interest. The Description of the Condominium Property is : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; Township of King. S/T & T/W as set out in Schedule "A" of Declaration YR325496. S/T Easement in YR342172 which Charge/Mortgage of Land was registered on the 19th day of January, 2014, in the Land Registry Office of York Region (No. 66) as instrument No. YR2235381. The Charge/Mortgage was amended by Amendment February 28, 2017 in which the Chargors agreed that would be calculated at the rate of 12.5%.

AND I hereby give you notice that the amount now due on the Charge/Mortgage of Land for principal money, interest, and costs, respectively, are as follows:

-for Principal (as of November 1, 2016)	\$768,877.00
-for prepayment interest	\$24,027.41
-for Interest owing to date at the rate of 12.5% per annum	\$58,982.35
-Compounded Interest	\$4,546.73
-for Costs on a substantial indemnity basis to date	\$2,557.50
TOTAL	<u>\$858,990.99</u>

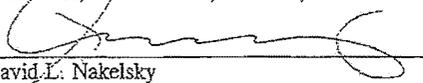
(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with interest at the rate of 12.5 per cent, per annum, on the principal and interest hereinbefore mentioned from the 12th day of June, 2017 to the date of payment.

AND unless the said sums are paid on or before the 22nd day of July, 2017, I shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

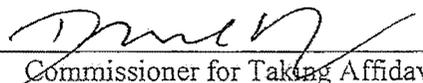
DATED the 12th day of June, 2017.

MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
 by its solicitors, GOLDMAN, SLOAN, NASH & HAVER LLP


 per: David L. Nakelsky
 480 University Avenue, Suite 1600
 Toronto, Ontario M5G 1V2
 Tel: (416) 597-9922
 Fax: (416) 367-1208
 davidn@gsnh.com

TAB I

THIS IS EXHIBIT "I"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael B. B. B.



Listing Agreement Seller Representation Agreement Authority to Offer for Sale



Form 200a
for use in the Province of Ontario

This is a Multiple Listing Service® Agreement  OR Exclusive Listing Agreement EXCLUSIVE
(Seller's initials) (Seller's initials)

BETWEEN:
BROKERAGE: Leung Halvax Realty Ltd. Brokerage
..... (the "Listing Brokerage") Tel. No. (705) 883-4922

SELLER(S): John Evan Davies, Jennifer Levers Davies (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 44 Glenora Way, Clak Dr
..... (the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent, commencing at 12:01 a.m. on the 20th day
of July 2017, until 11:59 p.m. on the 30th day of September, 2017 (the "Listing Period"),

Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an
MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate
and Business Brokers Act (2002), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials. (Seller's Initials)

to offer the Property for sale at a price of: 1,239,750 Dollars (CDN\$) 1,239,750
..... Dollars

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set
out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to
any other real estate brokerage for the sale of the Property.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"):
"Seller" includes vendor, a "buyer" includes a purchaser, or a prospective purchaser. A "real estate board" includes a real estate association.
A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is
subsequently exercised. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender
or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any
spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated
corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated
corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of
5.0 % of the sale price of the Property or
for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set
out in this Agreement OR such other terms and conditions as the Seller may accept. The Seller authorizes the Listing Brokerage to co-operate with any
other registered real estate brokerage (co-operating brokerage) to offer to pay the co-operating brokerage a commission of 3.5 % of the sale price
(indicate any incentive or +/- adjustment)
of the Property or out of the commission the Seller pays the Listing Brokerage.
The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone
on the Seller's behalf within 60 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with
anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period.
If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage,
the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.
The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to
or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or
neglect, said commission to be payable on the date set for completion of the purchase of the Property.
Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such
amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on
demand, any deficiency in commission and taxes owing on such commission.
All amounts set out as commission are to be paid plus applicable taxes on such commission.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

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- 3. **REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service.

The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practicable opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

- 4. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or willful act.
- 7. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or willful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information affecting the Property from any regulatory authorities, governments, mortgagees or others and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
- 11. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of

INITIALS OF LISTING BROKERAGE:

INITIALS OF SELLER(S):

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the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is on MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may, during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling: Does Does Not consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 12. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
13. CONFLICT OR DISCREPANCY: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Seller and the Listing Brokerage. There is no representation, warranty, collateral agreement or condition which affects this Agreement other than as expressed herein.
14. ELECTRONIC COMMUNICATION: This Agreement and any agreements, notices or other communications contemplated hereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
15. ELECTRONIC SIGNATURES: If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the Electronic Commerce Act 2000, S.O. 2000, c17 as amended from time to time.
16. SCHEDULE(S): and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

[Signature] DATE: June 22, 2017 [Name of Person Signing] Robert Healey / Susan DeFenua

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal: [Signature of Seller] DATE: June 22, 2017 [Tel. No.] 231-221-5839 [Signature of Seller] DATE: June 22, 2017 [Tel. No.] 561-5876

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

[Spouse] DATE: [Seal]

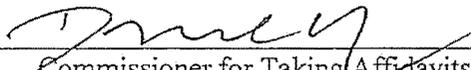
DECLARATION OF INSURANCE The broker/salesperson: Robert Healey + Susan DeFenua hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations. [Signatures of Broker/Salesperson]

ACKNOWLEDGEMENT The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of this Agreement

on the 22nd day of June, 2017. [Signature of Seller] Date: June 22, 2017 [Signature of Seller] Date: June 22, 2017

TAB J

THIS IS EXHIBIT "J"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Burt

AMENDED FUNDS SUMMARY

RE: Davies sale to D.C.L. Global Incorporated
 1220 Parker's Point Road, Unit 3, Gravenhurst
 Closing Date: April 25, 2017
 My File No.: 7124DA

To discharge previous 1st mtg - The Toronto-Dominion Bank		\$881,012.72
To discharge previous 2nd mtg - Moskowitz Capital Mortgage Fund II Inc.		1,450,527.00
To discharge previous 3rd mtg - Generals Hockey Inc. and Generals Hockey Holdings Inc.		355,412.15
To real estate broker - Wynn Realty Corporation		121,200.00
Town of Gravenhurst outstanding property taxes		36,721.75
To Cottage Country Environmental Services Inv. 1723		298.00
To register discharge of second mortgage		75.27
To register discharge of CRA lien		75.27
To Ministry of Finance for outstanding crown land taxes		1,464.63
From purchaser on closing - D.C.L. Global Incorporated		(2,856,473.29)
Legal Fees	\$9,550.00	
HST (13%)	1,241.50	
<u>DISBURSEMENTS:</u>		
<u>Subject to HST</u>		
Photocopies	\$50.00	
Phone & fax	15.00	
Postage	12.00	
Courier service	40.00	
Transaction Levy Surcharge	65.00	
Software Transaction Charge	20.00	
	<u>202.00</u>	
HST (13%)	26.26	
<u>Not Subject to HST (Agency)</u>		
Shortfall of our account deferred to sale of 24 Country Club Drive, King City	\$-1,333.26	
	<u>-1,333.26</u>	
Total Legal Fees, Disbursements and HST		9,686.50
Net proceeds:		<u>30</u>
E. & O. E.		

RM



Moskowitz Capital Mortgage Fund II Inc.
 2200 Yonge Street, Suite 1002
 Toronto, Ontario M4S 2C6
 Tel: (416) 781-6500 Fax: 1(888) 505-3620
 Brokerage Lic. #10922 Administrator Lic. #11928

Toll-Free: 1 (888) 841-5385
 moskowitzcapital.com
 ceas@moskowitzcapital.com

April 20, 2017

**TO: JOHN DAVIES & JUDITH DAVIES
 24 COUNTRY CLUB DRIVE
 KING CITY, ON L7B 1M5**

DAVIES FAMILY TRUST, DAVIES ARIZONA TRUST

CC: DAVID NAKELSKY; HOMER FRANK

**RE: DISCHARGE OF SECOND MORTGAGE ON 1220 PARKER'S POINT RD.,
 GRAVENHURST, ON ONLY**

Please be advised that this statement is for discharge purposes only for the aforementioned Mortgage Charge. Moskowitz Capital Mortgage Fund II Inc. will require certified funds for the amount as detailed below:

Return of principal	\$	1,250,753.82
Closed mortgage interest until end of term (April 21, 2017 - August 1, 2018 inclusive)	\$	<u>199,773.18</u>
Total amount due to Lender on April 20, 2017	\$	<u>1,450,527.00</u>
ALL PROCEEDS VIA BANK CERTIFIED CHEQUE to MOSKOWITZ CAPITAL MORTGAGE FUND II INC. OR TO GOLDMAN SLOAN NASH & HABER LLP IN TRUST		

This discharge statement cancels and supersedes previous statement and is valid only until April 28, 2017 after which it is null and void.

Discharge amounts are subject to adjustments should any changes be processed on the mortgage subsequent to the issue date. The mortgage will not be discharged if the timing of payments results in a shortfall in the amount owing under the mortgage.

This statement is subject to final accounting review by Moskowitz Capital.

**Yours truly,
 MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
 PER:**

Brian Moskowitz
 President



207
Moskowitz Capital Mortgage Fund II Inc.
2200 Yonge Street, Suite 1002
Toronto, Ontario M4S 2C6
Tel: (416) 781-6500 Fax: (416) 506-3620
Brokerage Lic. #16922 Administrator Lic. #11928

Toll-Free: 1 (866) 841-5385
moskowitzcapital.com
deals@moskowitzcapital.com

April 18, 2017

TO: JOHN DAVIES & JUDITH DAVIES
24 COUNTRY CLUB DRIVE
KING CITY, ON L7B 1M5

DAVIES FAMILY TRUST, DAVIES ARIZONA TRUST

CC: DAVID NAKELSKY; HOMER FRANK

RE: TOTAL AMOUNT OWING

FIRST MORTGAGE ON 24 COUNTRY CLUB DR., KING CITY, ON AND SECOND
MORTGAGE ON 1220 PARKER'S POINT RD., GRAVENHURST, ON

Please be advised that this statement is for accounting purposes only for the aforementioned
Mortgage Charge. ~~This is not a discharge statement.~~

Return of principal	\$	2,019,630.78
Interest in arrears	\$	103,322.21
Interest due on April 20, 2017 (April 1 - 20, 2017 inclusive)	\$	14,903.10
Closed mortgage interest until end of term (April 21, 2017 - August 1, 2018)	\$	322,579.92
Amendment #2 fee	\$	20,000.00
Missed payment fees	\$	2,100.00
Default proceeding fee	\$	500.00
Breach of Undertaking fee	\$	400.00
Out-of-pocket expenses (registered mail, bank fees)	\$	86.30
Discharge fee: \$500 for first property, \$250 for each additional	\$	750.00
Discharge statement fee	\$	75.00
Legal fee	\$	TBD
Total amount due to Lender on April 20, 2017	\$	<u>2,464,353.31</u>

This statement is subject to final accounting review by Moskowitz Capital.

Yours truly,
MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
PER:

Brian Moskowitz
President

KSV KOFMAN INC. in its capacity as Receiver and Manager of - and -
Certain Property of Scollard Development Corporation, et al.
Plaintiffs

JOHN DAVIES et al.

Defendants

ONTARIO
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

AFFIDAVIT OF JOHN DAVIES
(Sworn July 14, 2017)

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

David McCutcheon
LSUC #: 16057P-1B
Tel.: (416) 863-4538
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david.mccutcheon@dentons.com

Michael Beeforth
LSUC #: 58824P
Tel.: (416) 367-6779
Fax: (416) 863-4592
michael.beeforth@dentons.com

Lawyers for the Defendants

TAB 10

Court File No.: CV-17-11822-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiffs

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

AFFIDAVIT OF JOHN DAVIES

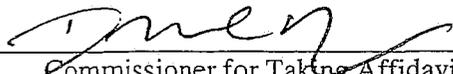
(Sworn July 24, 2017)

I, John Davies, of King City in the Province of Ontario, MAKE OATH AND SAY:

1. I am a trustee of the Davies Family Trust and the Davies Arizona Trust. As such, I have personal knowledge of the information set out in this affidavit.
2. Attached as **Exhibit "A"** are statements of the assets and liabilities of the Davies Family Trust and the Davies Arizona Trust as of July 24, 2017.
3. In my personal statement of assets and liabilities previously provided to the Receiver, I had listed our house at 24 Country Club Drive as an asset. The house is in fact held by me and my wife in our capacity as trustees for the Davies Family Trust. As such, the house has been included as an asset of the Davies Family Trust and should not be considered an asset that I hold personally.

4. I swear this affidavit in response to the Order of the Honourable Justice Myers dated July 17, 2017.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on July 24, 2017



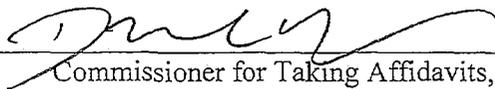
Commissioner for Taking Affidavits
(or as may be)
Michael Beetz



JOHN DAVIES

TAB A

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 24th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckett

Davies Family Trust
Assets and Liabilities
as of July 24, 2017

Assets	Value	Location
1) 24 Country Club Drive (Residence) 30% shareholder interest in McMurray Street Investments Ltd.	1,600,000 unknown	Ontario Ontario
Total Assets		<u>1,600,000</u>
Liabilities		
Total Liabilities		<u>-</u>

Davies Arizona Trust
Assets and Liabilities
as of July 24, 2017

Assets	Value (USD)	Location
1) 35410 N. 66th Place, Carefree - value depends on \$/sf; range is based on comparable properties	1,090,000 - 1,440,000	Arizona
2) Household furnishings	30,000 (est.)	Arizona
3) Desert Mountain equity membership	20,000	Arizona
Total Assets	<u>1,140,000 - 1,490,000</u>	

Liabilities		
1) First Mortgage - Bank of Internet	600,000 (est.)	Arizona
2) Unpaid invoice - Identity Construction - stated liability does not include interest at 18% per annum	167,517	Arizona
3) Construction deficiencies to be remedied	150,000 (est.)	Arizona
4) Chase Bank Account (overdrawn)	280.78	Arizona
5) Bills:		
Property tax	12,000 (est.)	Arizona
Utilities	2,200 (est.)	Arizona
Link Architects	4,000 (est.)	Arizona
Bascia Interiors	10,000 (est.)	Arizona
Total Liabilities	<u>945,997.78</u>	

KSV KOFMAN INC. in its capacity as Receiver and Manager of - and -
Certain Property of Scollard Development Corporation, et al.
Plaintiffs

JOHN DAVIES et al.

Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

AFFIDAVIT OF JOHN DAVIES

(Sworn July 24, 2017)

Dentons Canada LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft

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Michael Beeforth

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Fax: (416) 863-4592
michael.beeforth@dentons.com

Lawyers for the Defendants

TAB 11

Court File No.: CV-17-11822-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiffs

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

AFFIDAVIT OF JOHN DAVIES

(Sworn July 27, 2017)

I, John Davies, of King City in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the defendants in the above noted action and the sole director and officer of the corporate defendant Aeolian Investments Ltd. ("**Aeolian**"). As such, I have personal knowledge of the information set out in this affidavit. For convenience, unless otherwise defined, the defined terms herein have the same meaning as the terms defined in the Receiver's Sixth Report and in my first affidavit sworn on July 14, 2017 (my "**First Affidavit**").
2. I swear this affidavit as a supplement to my First Affidavit in opposition to the Receiver's motion seeking certain interim and interlocutory Mareva relief. As I noted in my First Affidavit, I had only a short amount of time to initially respond to the Receiver's materials before the

return date of July 17, 2017. I have now had the opportunity to more fully review the materials and wish to respond fully to the allegations made against me.

3. The Receiver has accused me of, amongst other things, fraud and deceit. I categorically reject these accusations, and all of the similar allegations the Receiver has made about me, my business and my family. We had no relationship or contact with investors. Our only relationship was with the Trustee Corporations, and that relationship was one of conventional borrower and lender. At all times, I acted in accordance with the Loan Agreements that governed the terms of the Davies Developers' borrowing. We were required to obtain the lender's consent in order to make loans and pay development management fees and dividends. We did so. I have done nothing wrong, yet through this process, I have lost the ability to profitably complete the projects I have spent the past six years developing. I refuse to continue to be treated as a scapegoat for loan losses caused by the regulatory failures of Tier 1 Transaction Advisory Services Inc. ("Tier 1") and the subsequent costs of a premature and untimely liquidation of development projects.

4. I have been a real estate developer for 25 years. The development process takes years, is risky and complex, and requires multiple rounds of financing. Initial predevelopment financings, such as those between the Davies Developers and the Trustee Corporations, pay a high interest rate in recognition of the risks and complexities of the development process, especially at an early stage.

5. Real estate development projects go through many stages, including pre-acquisition analysis of potential development properties, acquisition of those properties, planning, site work, sales and marketing, pre-construction and construction work. Developers are hired to take development projects through this process, and get compensated for their efforts through

development management fees – it is how we get paid. Such fees are an accepted cost in the development process, as lenders and stakeholders have an interest in working with experienced professionals to ensure their investments appreciate in value.

6. The projects that were being developed by the Davies Developers were all real and located on properties that had been carefully chosen and acquired for their development potential, as evidenced by the independent appraisals conducted on the properties (copies of which I have attached as **Exhibit “A”**)¹. My expectation was that each of the development projects in question would be successfully completed and each of the loans would be repaid, as has been the case with the \$200 million that I have borrowed and repaid over the course of my career.

7. The Davies Developers had an obvious interest in seeing the projects through to a profitable conclusion. We invested our expertise, experience and reputation towards achieving that result, and I believe that we would have been successful in doing so had Tier 1 not been suspended from raising funds and been replaced by Grant Thornton. Now, as a result of Grant Thornton’s decision to force the sale of some of the development properties at an early stage liquidation value rather than continuing to develop them, together with the fees that have been incurred by the Receiver, it is unlikely that the loans in question will be fully repaid.

8. As I noted in my First Affidavit, the effect of this receivership and of the Receiver’s unwarranted accusations against the Davies Developers and against me personally have been tremendously harmful. I worked hard to advance these projects through the predevelopment stages to bring them to a state of construction readiness, and earned the fees we were paid. I have

¹ For brevity, I have included only the executive summaries. Full versions of the appraisals are available for inspection upon request.

now lost my livelihood, my reputation has been damaged and I have lost virtually all of my assets. The rationale underlying the initial issuance of this Mareva order – the concern that I was selling assets to escape my creditors – has been proven false, and yet the Receiver has continued to take steps to constrain my family and my ability to earn a living. The initial allegations that the development management fees were “secret”, unauthorized and prohibited by the Loan Agreements have been proven false, and so the Receiver has changed its position and alleges that the fees were unreasonable and not earned – allegations which, as set out in great detail below, cannot be supported.

9. I ask this Court to look long and hard at the allegations that have been made by the Receiver, which are based entirely on a review of cash receipts and disbursements. These allegations ignore the factual context in which the Davies Developers operated, including the business realities of the development industry, the detailed pro formas that were provided to Tier 1 prior to any loans being advanced (and which were provided to the Receiver nearly a month ago), the ordinary course relationship between borrower and lender, and the value that was created in the development projects (which is now at risk of being destroyed). The only substantive, contextual evidence before this Court is that we acted at all times with the consent of the Trustee Corporations and in accordance with the Loan Agreements and, through hard work over six years, achieved significant value for each of the development projects in question.

Management Fees were Reasonable and Earned

10. In my First Affidavit, I explained that the development management fees paid to the Davies Developers were not “secret”, “covert” or “fraudulent”, as alleged by the Receiver, but in fact were both approved by the Trustee Corporations and permitted under the Loan Agreements.

Detailed pro formas were prepared for each of the Davies Developers projects and provided to the Trustee Corporations for review and approval before loans were advanced. I had attached a sample pro forma to my First Affidavit; copies of pro formas for each of the project companies are attached hereto as **Exhibit "B"**.²

11. We prepared these pro formas as genuine estimates of the costs that would be incurred and the fees that we would earn through the course of the projects. Each of the projects would require additional financing as they progressed through the development process, and each of the loans made would be repaid. We expected, as set out in the pro formas, that each of the projects would be concluded profitably. In each instance, after reviewing the pro formas, the Trustee Corporations advanced funds under the Loan Agreements with full knowledge of the costs and fees associated with each project. Had the Davies Developers been permitted to continue advancing the projects toward construction financing, each of the loans would have been repaid.

12. The Receiver has also alleged that the development management fees were unreasonable as the development projects for which they were advanced had achieved little progress and remained in pre-construction. While I addressed this allegation briefly in my First Affidavit (see paragraph 12), I want to provide the Court with additional detail regarding the work that was carried out by the Davies Developers, as I firmly believe that we achieved significant progress that more than justified the development management fees that were paid.

13. As I noted in my First Affidavit (see paragraph 8), development management fees were paid to the Davies Developers to advance projects through predevelopment, which consisted of everything from site acquisition and analysis to the stage where a guaranteed upset price contract

² For brevity, I have included only the pro forma summaries and revenue/cost forecasts. Full copies of the pro formas are available for inspection upon request.

had been or was about to be executed and the project was ready to begin construction. In this context, the fact that most of the development projects remained in the pre-construction phase is irrelevant to the question of whether the Davies Developers performed sufficient work to justify the payment of development management fees.

14. In the case of each project, as set out below, we carried out significant predevelopment work and, in some cases, initial construction work, creating incremental value for the properties:

- (a) With respect to the Memory Care entities (Kitchener, Oakville and Burlington), we worked with a leading US health care architect over a 15-month period to design a unique building concept tailored to dementia sufferers, which is a relatively new concept in Canada. We obtained site plan approvals, which included work relating to a holding designation placed on the Oakville property. We produced working drawings and construction drawings, obtained construction hard cost pricing for all three projects and, in respect of Burlington, signed a CCDC contract and began construction before progress was halted in December 2016. A detailed summary of the work carried out on the Memory Care projects is attached as **Exhibit "C"**.
- (b) With respect to Scollard, we conducted significant pre-acquisition work to reconceptualize the condominium project that had been planned for the site into a contemporary 4-storey condominium project, which was more suited to the area and our target demographic. We also developed a phasing plan that would allow us to coordinate construction timing with sales goals. Following acquisition, we completed design development, commissioned the necessary studies and liaised with the City's planning department to ensure there were no servicing issues. We retained marketing and advertising experts and constructed an onsite sales centre with a model suite. After sales began, we received so much interest that we reworked the design in our working drawings into a 5-storey townhome project, increasing the overall units from 230 to 291 (226 of which we had sold by fall

2016 when the Tier 1 situation arose). We completed construction pricing and completed working drawings to approximately 70%. At the time that Grant Thornton took over as trustee, we were set to execute a \$67 million construction financing agreement which did not proceed as Grant Thornton refused to postpone Tier 1's first mortgage. A detailed summary of the work carried out on Scollard is attached as **Exhibit "D"**.

(c) With respect to the Princess Street projects (555 Princess, 525 Princess and 445 Princess), we identified three ideal development properties within close proximity and conducted detailed pre-acquisition due diligence on each property, including an environmental review of a former service station, development of massing and design studies, and consultation with the City of Kingston regarding its redevelopment guidelines. Following purchase of the properties, we retained transportation engineers and worked with the City to develop solutions for the parking shortage in the development area. We developed design concepts for 555 Princess and 525 Princess together, and a standalone concept for 445 Princess, both of which we presented to the City and local stakeholders for discussion. We engaged consultants and engineers to prepare background studies and reports in support of our anticipated submissions to the City for zoning, planning and engineering approvals. Development work continued until the Tier 1 situation halted progress in October 2016. A detailed summary of the work carried out on 555 Princess, 525 Princess and 445 Princess is attached as **Exhibit "E"**.

(d) With respect to Legacy Lane, we acquired a property adjacent to a luxury retirement home that my former partner, Bruce Stewart, had helped develop. In light of the potential synergies with the retirement home, we hired an architect to design a 5-storey seniors-oriented condominium development. We also pursued discussions with the retirement home owner regarding potential access for condominium buyers to the home's facilities. Site plans and full design drawings for the project were completed before we received market feedback that interest had shifted from condominiums to townhome and "bungalow" developments. As a result, we identified a local developer who had successfully built such projects

and hired him as a consultant to redesign the project into a townhome development. We hired engineers to prepare site servicing and grading design reports for approvals, and completed final drawings in spring 2015. We identified a potential construction partner but were unable to secure financing to complete site servicing work. A detailed summary of the work carried out on Legacy Lane is attached as **Exhibit "F"**.

- (e) With respect to McMurray (which is not a Receivership Company), we demolished the existing high school on the property and renovated the historical schoolhouse into a sales presentation centre which included two model suites. We designed a Phase 1 development consisting of lofts in the schoolhouse, suites in a new 60-unit building, and 2-storey townhomes. We obtained site plan approval and approvals of architectural design drawings. We prepared all necessary condominium documents and obtained Tarion warranty approval. We also began conceptual work on a Phase 2 development consisting of "bungalow" townhomes. We obtained 30 firm sales commitments on Phase 1 but ultimately were unable to obtain construction financing as a result of waning market interest. A detailed summary of the work carried out on McMurray is attached as **Exhibit "G"**.

- (f) With respect to Ross Park (which is not a Receivership Company), we acquired a site with a student residence concept that had been introduced to City officials. Following acquisition, we engaged numerous consultants and made a formal application to the City for a by-law amendment to permit the residence to be built. The City required extensive design changes which we worked through and reached consensus on a revised concept. We also dealt throughout with a local conservation authority which was carrying out a study to determine flood parameters for the area in which the property was located. This required us to engage hydrogeological engineers to respond to the study and negotiate with the conservation authority. Despite extensive work and negotiations, the conservation authority's study remains incomplete. A detailed summary of the work carried out on Ross Park is attached as **Exhibit "H"**.

- (g) With respect to 774 Bronson (which is not a Receivership Company), although the property was introduced to us in February 2015, we did not close until January 2016 as a result of numerous issues that had to be resolved. The property had been planned by the previous owner as a luxury condominium (which had failed), and the design was unsuitable for student housing. We had to create a new student residence design and renegotiate the site-specific zoning by-law with the City and an influential ratepayer group, which required a long and involved consultation process through the design planning phase. We also worked with Doran Construction to prepare a hard cost budget demonstrating the financial viability of the project. Following closing, we developed detailed architectural and structural engineering studies, prepared working drawings and tendered them to the market, and dealt with minor soil contamination. We were preparing to apply for a building permit in late 2016 before the Tier 1 situation in October 2016 halted progress on the project. A detailed summary of the work carried out on 774 Bronson is attached as **Exhibit "T"**.

15. The development management fees paid varied from project to project (both in terms of projections and actual fees paid) based on factors such as complexity, cost, length of the predevelopment period and other factors unique to certain projects (for example, the issues experienced by Ross Park in relation to the local conservation authority, which has significantly delayed the commencement of construction). A spreadsheet containing a summary of the development management fees paid and payable is attached as **Exhibit "J"**. A similar version of this spreadsheet was previously provided to the Receiver; one immaterial change has since been made to the fees paid or payable in respect of Scollard as a result of adjustments made by our external accountant. In addition, certain amounts relating to the Rideau development project in Ottawa have been backed out of the development management fee calculation, as they had previously been included in error.

16. As set out in the spreadsheet, the development management fees as a percentage of total project costs ranged from 2% on the low end (Scollard) to 6% (Burlington and Kitchener), with most calculated at 4-5% (although the projects were all initially estimated and calculated at 5%, as stated in my First Affidavit). Based on my industry experience, which includes 7 years as Director of Acquisitions and VP, Development at Markborough Properties Ltd. – at the time Canada’s third-largest real estate development enterprise – these percentages are well within industry standards. For example, while at Markborough, I sourced a joint venture opportunity with McArthur Glen Group (“MGG”), a public US-based developer of designer outlet malls which funds its operations from fee income. MGG charged development fees on an “a la carte” basis, including 2% of land cost as an acquisition fee; 2% of hard and soft costs for arranging financing; 3.5% of hard and soft costs as a design development fee; and 2% of hard costs for overseeing the preparation of construction documents and the tendering process. When added up, these fees are roughly equivalent to a 5% overall development management fee for the same scope of services.

17. These fees also reflect the significant amount of work done on the projects over the course of 1-5 years, depending on the project. In many cases, the work we carried out exceeded the scope of “typical” development management (which does not include any pre-acquisition analysis, site selection, development of full working drawings or tendering). To date, a total of \$11.7 million, or 57% of the budgeted development management fees across all projects, has been drawn down by the Davies Developers, which is reasonable given the length of time over which development activities occurred (work commenced on McMurray in 2011 and, as set out in paragraph 14 above, continued on several projects through to late 2016), and the value accrued in the projects (as evidenced by the independent appraisals attached as Exhibit “A”).

18. Moreover, a significant portion of these development management fees were used to pay normal office expenses of the Textbook and Memory Care enterprise. These costs included overhead (rent, utilities and office expenses) and salaries for our staff which, at the peak of our operation, included a CFO and VP Finance with a combined 60 years of real estate finance experience; a VP Development with 25 years of development and planning experience; a senior analyst; an office manager; a sales administrator; a marketing manager; and a clerk. Annual salary costs for our team were over \$1 million (not including myself and Mr. Thompson). I have attached as **Exhibit "K"** copies of the P&L statements and balance sheets for the Textbook and Memory Care companies.

19. It should be noted that KingSett Mortgage Corporation ("**KingSett**") approved mortgage facilities for both Ross Park and the Rideau project in Ottawa on the basis of a project budget that included 5% development management fees as part of the projected soft costs (see Schedule "B" of KingSett's commitment letters for Rideau and Ross Park attached respectively as **Exhibits "L"** and "**M"**, the Rideau pro forma attached as **Exhibit "N"**, and the Ross Park pro forma at Exhibit "A"). In the case of Rideau, Pelican Woodcliff (Kingsett's project monitor) subsequently approved a revised budget which included 4% development management fees, the reduction coming as a result of increased project costs and our desire to balance our use of funds (see Pelican Woodcliff's report attached as **Exhibit "O"**). The approval of these fees by objective market participants such as KingSett and Pelican Woodcliff are further evidence of the reasonableness of development management fees in real estate development projects, and reflects the commercial reality that these fees are accepted as a cost of such projects in exchange for the expertise to advance them through the development process.

Allegations Regarding Intercompany Loans are Without Merit

20. From the outset of this proceeding, the Receiver has consistently alleged that the intercompany loans made between and among the Davies Developers (including the Receivership Companies) are improper and prohibited under the terms of the Loan Agreements between the Davies Developers and the Trustee Corporations. As is the case with respect to the Receiver's allegations regarding development management fees, the Receiver has since been provided with substantial additional evidence that makes it clear that these loans were known to and authorized by the Trustee Corporations.

21. Contrary to the Receiver's position that intercompany loans are prohibited under the Loan Agreements, each Loan Agreement provides that the borrower (i.e. the relevant Davies Developer) may, with consent of the lender (i.e. the relevant Trustee Corporation), use loan proceeds for purposes other than the development of the specific project for which they were raised. As reflected in correspondence which has been provided to the Receiver (representative examples of which are attached as **Exhibit "P"**), from the time of the very first financing for McMurray, Mr. Singh and the Trustee Corporations were aware of and consented to the practice of making intercompany loans. Indeed, in many instances, Mr. Singh and/or Greg Harris, counsel to the Trustee Corporations, suggested or directed that specific intercompany loans be made in order to pay certain interest payments or other costs. Mr. Singh and Mr. Harris made it clear that interest payments were the first priority and that all necessary steps should be taken to ensure that payments were not made late. I note that when we retained the Receiver in late 2016 in the context of a CCAA application, Mr. Kofman expressed the view that intercompany loans were permissible if they stayed within the enterprise and were made with the consent of the trustee.

This view was confirmed by Mr. Goldstein in a meeting on or about February 3, 2017 when the Receiver was collecting information regarding Scollard.

22. For context, and as we set out in a memorandum prepared for and provided to the Receiver on June 23, 2017 (a copy of which I attach as **Exhibit "Q"**), which is not included in the Receiver's materials before this Court, the Memory Care and Textbook companies were operated as an "umbrella" organization, with separate bank accounts for each project company. To the knowledge of the Trustee Corporations, intercompany loans were regularly made between companies in the organization in order to pay for certain liabilities as they came due, including costs associated with advancing the development projects (e.g. design costs, planning approvals, engineering and other studies) and interest payments on the loans.

23. As explained more fully in the memorandum at Exhibit "Q", there are significant restrictions associated with raising funds by way of syndicated mortgage investment ("SMI") loans. The quantum of an SMI loan cannot exceed the appraised value of the property, and the borrower incurs significant upfront costs leaving only a small percentage of the face amount of the loan to be used to begin developing the property. In addition, the obligation to pay interest commences one year after the initial raise. As such, the Davies Developers worked aggressively to advance the development status of projects during the first year, with a view to having the property reappraised with the expectation that its development value will have increased and additional financing could be raised.

24. Occasionally, situations arose where the surplus proceeds from an initial raise would be fully disbursed before the value of the development project had increased sufficiently to support a further financing – this was the case with Scollard, for example. Alternatively, a project might

be sufficiently developed to support an increased loan, but Tier 1 was not in a position to raise funds. In these situations, an intercompany loan would be made from another Davies Developer in order to pay liabilities as they came due until such time as additional funds could be raised, or the developer would raise construction funds from another source and Tier 1 willingly agreed to postpone to these new mortgages. Every intercompany loan was recorded in the companies' accounting records and stayed within the "umbrella" of the overall organization.

25. Intercompany loans were made in the ordinary course and were to be repaid once construction financing was secured. As noted above, at the time that Grant Thornton was appointed, construction financing for Scollard was imminent. Had this financing been allowed to close, we planned to use some of the proceeds to pay down debt.

26. With respect to the Receiver's allegations regarding payments made to Lafontaine Terrace Management Corporation ("**Lafontaine**") and Memory Care Investments (Victoria) Inc. ("**Victoria**"):

- (a) The payments made to Lafontaine were loans to fund the losses stemming from the existing retirement home on site at the Kitchener property until new homes could be arranged for the residents and the property was ready to be developed and brought into the Textbook/Memory Care umbrella enterprise. These loans were repaid from the sale proceeds of the Kitchener property.
- (b) The payment made to Victoria was a small intercompany loan to fund initial due diligence efforts regarding a potential Memory Care project in Victoria, British Columbia to be brought into the enterprise. We completed a pro forma and appraisal for the projects and were in the process of preparing marketing materials when Tier 1 advised that it was restricted from raising funds for projects outside of Ontario.

All Payments to Davies' Family Members were Legitimate and Earned

27. The Receiver alleges that certain payments made to members of my family were improper. These allegations are not true. To the Receiver's knowledge, the payments made to my family were all earned and justified:

- (a) With respect to my wife Judith, and as I testified at my examination (see questions 391-394), on the advice of my accountant, from time to time, portions of the development management fees that I earned were paid to my wife for the purpose of reducing my personal income tax burden. Some of these payments flowed through Aeolian while others flowed directly from the Davies Developers. In all cases, these payments were taken from my portion of development management fees earned by the Davies Developers; they were not additive or separate.
- (b) With respect to my daughter Sarah, and as I testified at my examination (see questions 291-297), she was hired in 2013 as a marketing director for the Davies Developers and was paid a reasonable salary plus a car allowance for her work. I have attached as **Exhibit "R"** a sample of third party correspondence regarding the exemplary work performed by Sarah and my son Andrew (who is addressed in the paragraph below). This correspondence was previously provided to the Receiver.
- (c) With respect to my son Andrew, and as I testified at my examination (see question 299), he was retained from time to time through his company, Y2 Media, to provide advice on potential advertising mediums and to secure competitive rates. Andrew was paid a reasonable, below-industry-standard commission of 8% for whatever advertisements he recommended and we purchased, as recommended by our marketing consultants.

- (d) Finally, with respect to my daughter Jessica, and as I testified at my examination (see question 298), she was hired as the receptionist at the McMurray sales centre for one summer.

Dividend Payments were Authorized and Paid Responsibly

28. The Receiver alleges that certain dividend payments made to Aeolian from 525 Princess and 555 Princess were improper and prohibited by the Loan Agreements. I do not understand the rationale behind this allegation given that the Receiver also acknowledges, in contradiction to its allegation, that such payments were contemplated by and permitted under the Loan Agreements.

29. Specifically, the relevant Loan Agreements provide at section 7.01 that:

“From any excess proceeds available after the Property has been acquired, the [Davies Developer] intends to pay a dividend of \$250,000 to each of its four shareholders, in compensation of expenses incurred and efforts in locating suitable property, negotiating and structuring the purchase transaction and matters ancillary thereto...” [emphasis added].

In each instance, the dividends were paid in accordance with the Loan Agreement – after the property was acquired and out of the remaining loan proceeds. In this context, the Receiver’s statement that these dividend payments were prohibited under the Loan Agreement is incorrect.

30. In its Fourth Report, the Receiver questions the propriety of the dividend payments because they were paid at a time when 525 Princess and 555 Princess had no profits, and “questions why dividends would be payable from a fundraising, particularly because the Shareholders had not created value...”. This statement either fails to account for or ignores the significant work that the Davies Developers undertook in order to locate suitable development properties and arrange for their purchase as development sites – work which is specifically

referenced in the Loan Agreement (see emphasis above) in relation to the payment of dividends. This work included: preparation of height and massing studies and over a dozen different concepts for vetting with relevant municipal officials; participation in the pre-development municipal approval process; working with consultants to address site servicing issues and related meetings with the City of Kingston's engineering staff; and presenting the development concept to the local BIA and other civic groups. All of this work occurred prior to the purchase of the property. The payment of dividends to the Davies Developers was fully justified and represented good value.

31. Moreover, and contrary to the Receiver's allegation that 525 Princess and 555 Princess had little or no equity following the payment of dividends, the umbrella nature of the Textbook/Memory Care enterprise allowed available cash to be deployed through intercompany loans to projects which were short on funds. Indeed, following the purchase of the properties and payment of dividends, significant work was carried out on these projects, including the retention of consultants and preparation of a joint application to the City of Kingston, and consultations with the City regarding potential parking solutions (as set out above in paragraph 14(c) and in Exhibit "E").

32. Any suggestion that dividends were paid irresponsibly or in circumstances where they had not been earned is unsupported. For instance, with respect to 445 Princess, much of the pre-purchase work described above in respect of 525 Princess and 555 Princess also applied to 445 Princess. As dividends had already been paid in respect of those two projects, and there was not a substantial amount of unique work specific to 445 Princess that was to be completed in advance of the property purchase, we determined that it would not be appropriate to pay

dividends for that project. I accordingly advised Mr. Singh and Mr. Harris that dividends would not be budgeted for (see the correspondence attached as “**Exhibit “S”**”).

Purchase and Sale of Kitchener Property was Proper and Disclosed to Investors

33. In its Fourth Report and in its court materials, the Receiver draws attention to the purchase and sale of the property associated with the Kitchener project, and the fact that Aeolian received a profit upon the sale of the property to the Kitchener development company. It is unclear whether the Receiver believes that these transactions were improper or is simply raising them as “colour” in the context of the overall allegations made against me. The fact is that these transactions were fair and proper, and the profit that would be made by Aeolian and other interested parties upon the sale of the property was fully disclosed by Tier 1 to investors.

34. For context, in 2013, the Memory Care projects in Burlington and Oakville were underway and Bruce Stewart (my former partner) and I were looking for another potential project. Through our market research, we became aware of an underperforming retirement facility in Kitchener that was being put into receivership. After conducting initial due diligence, we determined that the facility could be purchased and, with substantial work, converted into a development site which could be acquired by a development company. We therefore incorporated 2372519 Ontario Ltd. (“237”) and purchased the property on June 4, 2013. We also incorporated Lafontaine to act as the operating company for the facility.

35. As I testified at my examination (see questions 224-225), following this purchase, over the next eight months, Lafontaine operated the retirement facility and funded all shortfalls while searching for new seniors’ residences for the approximately 30 residents that lived at the facility (we also bore all relocation costs associated with moving these residents). We also dealt with all

employment issues related to the approximately 20 unionized employees at the facility who were let go. When this work was complete and the site was ready to be developed, we sold the property to Kitchener on February 25, 2014 for \$3.95 million. This price was fully disclosed in the Tier 1 documents.

36. To the Receiver's knowledge, all of the work described above, as well as the fact that 237 would realize a profit upon the sale of the Kitchener property, was fully disclosed to prospective investors (see the Acknowledgement and Direction contained at Tab 2R of the Receiver's Motion Record).

Payment to Moskowitz was Repayment to Davies Family Trust of McMurray Purchase Price

37. The Receiver also alleges that certain payments made by McMurray to Moskowitz, the first mortgagee on the Residence, were improper and prohibited by the Loan Agreement with the McMurray Trustee Corporation. Contrary to these allegations, and to the Receiver's knowledge, these payments were made to reimburse the Davies Family Trust, which had loaned McMurray \$650,000 to purchase the property on January 15, 2010. This reimbursement was agreed to by the McMurray Trustee Corporation and permitted under the Loan Agreement. I should note that although the property was appraised at \$1.965 million shortly after purchase (see the attached appraisal at **Exhibit "T"** and the McMurray pro forma at Exhibit "A"), I declined to purchase the property myself at the below-market price I had negotiated and make a profit by subsequently selling it to McMurray.

38. For context, I entered into negotiations to purchase the McMurray property long before I met Mr. Singh or did any business with Tier 1. The property had been listed for sale by the Bracebridge school board for a price which, based on my market knowledge, was far below its

potential development value. As such, I sought to purchase the property as an investment with a view to developing it in the future, potentially as a retirement facility (though I later concluded that the retirement facility market in that location was likely saturated).

39. In 2011, I was introduced to Mr. Singh and Tier 1 and we subsequently agreed that Tier 1 would provide a loan facility for the purpose of developing the McMurray property as a lifestyle condo project. The initial loan was anticipated to be approximately \$3.5 million which, after Tier 1's fees, legal fees and an 8% interest holdback, left approximately \$2.3 million to be used to develop the property. The site included an old schoolhouse, which we intended to renovate as a sales centre, and an old high school which needed to be demolished. I did not believe there would be sufficient loan proceeds to repay the Davies Family Trust loan, complete the necessary demolition and renovation work, and develop the property to a point where it could support a reappraisal and second financing. As a result, I agreed with Mr. Singh and Mr. Harris, on behalf of the McMurray Trustee Corporation, that the Davies Family Trust would wait to be repaid out of subsequent loan proceeds.

40. Although Mr. Singh agreed to pursue a second round of financing which would have been used, in part, to repay the Davies Family Trust, no further financing was ever obtained. The Davies Developers continued to advance the McMurray project through pre-development and pay interest on the original Tier 1 loan. In order to reimburse the Davies Family Trust for the McMurray property purchase, beginning in June 2012, I directed McMurray to pay monthly instalments to Moskowitz on behalf of the Davies Family Trust. As set out in the Receiver's Fourth Report, a total of \$935,000 was paid to Moskowitz, which represented the original \$650,000 purchase price plus accumulated 8% annual interest.

Rideau Transfers

41. The Receiver has alleged that I improperly diverted funds from several project companies, including 555 Princess and Kitchener, to finance the purchase of the property at 256 Rideau Street and 211 Besserer Street in Ottawa (collectively, the "**Ottawa Property**"). While it is true that funds were transferred from 555 Princess and Kitchener (as well as Ross Park, a non-receivership Davies Developer) to GenerX (Byward Hall) Inc. ("**GenerX**"), the project company for the Ottawa Property development, these funds were not misappropriated or improperly transferred. Rather, they were transferred with the knowledge and consent of the Trustee Corporations.

42. In mid-2015, when we were considering whether to purchase the Ottawa Property and bring it into the Textbook/Memory Care umbrella, we looked at a number of potential financing options, including through Tier 1. However, it became apparent that it would take a considerable amount of time for Tier 1 to arrange for the size of the raise required which might have put the purchase transaction in jeopardy. In this context, we decided to finance the purchase through a combination of a mortgage facility with KingSett and an initial \$2.75 million equity contribution made through Textbook Suites Inc., GenerX's sole shareholder (as required by KingSett – see section 8 of the Commitment Letter at Exhibit "L"). Following the purchase, Tier 1 would begin work on arranging for a significant SMI raise.

43. The initial equity contribution was funded by way of intercompany loans from development companies which had funds available, including 555 Princess (\$1.39 million), Kitchener (\$111,000) and Ross Park (\$1.25 million). To be clear, these amounts were never intended to be equity contributions from the development companies. Rather, and as was the case

with previous purchase transactions within the Textbook/Memory Care enterprise (e.g. Kitchener), these funds were loaned with the consent of Mr. Singh, Mr. Harris and the relevant Trustee Corporations, in accordance with the Loan Agreements, and with the understanding and expectation that the subsequent Tier 1 financing would be used, in part, to repay the loans. The anticipated financing would also be used to pay GenerX the development management fees it would earn over the intervening period, which GenerX intended to reinvest into the project as an equity stake.

44. Consistent with this understanding, GenerX worked through 2016 to advance the Ottawa Property through predevelopment and increase its value. This work included obtaining a zoning by-law amendment in July 2016 to permit the development project's proposed height, density and use, and receiving staff approval for site plan control in September 2016. From time to time, additional intercompany loans were made in the ordinary course from other project companies to fund pre-development work and interest payments to KingSett as they came due. These loans were recorded and tracked in the development companies' accounting records in the same manner as all other intercompany loans.

45. GenerX also continued to provide Tier 1 with the information necessary to arrange the anticipated \$16 million SMI raise, which was anticipated to occur in early 2017. Indeed, as late as October 20, 2016 (the day before FSCO issued its cease-and-desist order in respect of Tier 1), we provided Tier 1 with a pro forma and due diligence information to allow for the preparation of a disclosure schedule and brochures for the project (see the correspondence attached as **Exhibit "U"**). Following the cease-and-desist order, GenerX immediately approached Core Advisory to attempt to arrange replacement financing. Although Core Advisory was interested and began the fundraising process in November 2016, there was very little market interest in

light of the recent FSCO activity involving Tier 1. GenerX approached other lenders but, unfortunately, was met with the same resistance.

46. In parallel with its efforts to acquire replacement financing, GenerX continued its work to advance the Ottawa Property through predevelopment, including submitting building permits for excavation/foundation work and the superstructure in December 2016, and engaging both an architect and construction manager to prepare working drawings and a preliminary budget analysis, develop a construction schedule and tender the project to the market. Until February 2017, it was expected that KingSett would provide construction financing pursuant to their commitment and, prior to the Receiver's appointment over the Ottawa Property, excavation was scheduled for September 2017.

47. As noted above, GenerX has completed significant work to advance the Ottawa Property to construction readiness. I believe that this work has substantially increased the value of the Ottawa Property. In addition, prior to the acquisition of the Ottawa Property, GenerX conducted extensive due diligence to confirm that the existing proposal on the site (for condominiums) could be revised for student housing purposes, and that a significant reduction in the number of parking spaces (from five levels of underground parking to 14 parking spaces at grade) could be accommodated. As a result of this work and the resultant increase in value, GenerX has earned development management fees of approximately \$1 million (accrued at \$50,000 per month from November 2015 to June 2017, in accordance with the Rideau pro forma supplied to KingSett). In light of the current financial status of the project, these fees have not been paid but would be payable, along with the intercompany loans, out of any proceeds raised in respect of the Ottawa Property.

48. To the knowledge of the Receiver and this Court, GenerX has been engaged in concerted efforts over the past several months to obtain replacement financing to pay out KingSett and to continue to advance the project. In the event the refinancing is successful, GenerX remains prepared to pay the disputed amounts regarding the Ottawa Property into trust pending the resolution of that litigation.

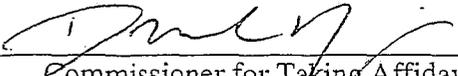
The Mareva Should be Lifted and This Process Stopped

49. Borrowing money from Tier 1 has been the biggest mistake of my business career. I believe that these proceedings are being prosecuted so as to make me the scapegoat for the problems caused by Tier 1 and the losses suffered by its investors. I have fairly and honestly answered the questions asked by the Receiver and presented full explanations, supported by evidence, to the Receiver and this Court in response to the allegations made against me, my business and now my family. I am frustrated and angry that unfounded allegations were made against my wife and family, that my reputation has been unfairly attacked, and that I have lost my business and the great opportunity to successfully complete these development projects and make a legitimate developer's profit. I have lost my personal assets. I am about to lose my home. I have no income. I have received threats and abuse from investors. How much punishment is enough?

50. I believe that all of the Textbook and Memory Care development projects would have been profitable and the investors would have been repaid in full had the projects been allowed to proceed. This process has destroyed the value of the projects, which are now being liquidated at distressed prices. Those prices, together with the weight of the steep fees and expenses of this process, will likely result in limited recoveries for the investors in Tier 1. Ironically, the investors

have suffered losses caused by the very mechanism that was designed to protect their interests. I have considerable sympathy for their plight. They are losers in this process but so am I.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on July 27, 2017



Commissioner for Taking Affidavits
(or as may be)

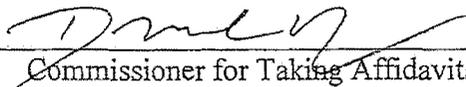
Michael Beetham



JOHN DAVIES

TAB A

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 27th DAY OF JULY, 2017



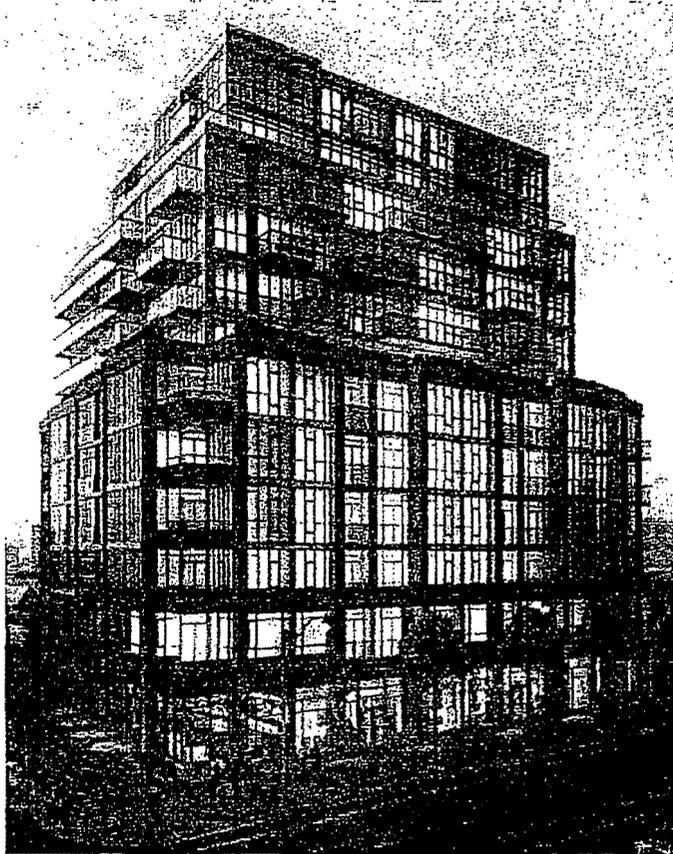
Commissioner for Taking Affidavits, etc.

Michael Beetham

Appraisal of

PROPOSED STUDENT HOUSING DEVELOPMENT

555 PRINCESS STREET, KINGSTON, ONTARIO.



at

JULY 10, 2015

Prepared for

TEXTBOOK STUDENT SUITES INC.

Prepared by

MICHAEL CANE CONSULTANTS

August 12, 2015

Textbook Student Suites Inc.
51 A Caldari Road, Suite 1-M
Vaughan, Ontario
L4K 4G3

Attn: Mr. John Davies, Co-President

Dear Sirs:

Re: Appraisal of Proposed Student Housing Development at 555 Princess Street, Kingston, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 0.36 acre site with a development of 194 student residential suites in a 11-storey building. We have not seen plans of this proposed development which we understand are being prepared by SRM Architects and we understand that preliminary discussions with the City of London planning department have been encouraging but an official application has not yet been submitted.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the subject site, assuming it could be developed as set out below, as at July 10, 2015 is as follows:

Eight Million Five Hundred Thousand Dollars

\$8,500,000

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read 'M. Cane', with a horizontal line underneath.

Michael S. Cane, FRICS, AACI, PLE

Michael Cane Consultants

18976 Kennedy Road

SHARON, ON L0G 1V0

P-416-312-2263

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Appendix 9 -	Qualifications of Appraiser

MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	July 10, 2015
<i>Property Location</i>	The Subject Property is located on the northwest corner of Princess Street & Alfred Street approximately 1/2 km north of Queens University campus.
<i>Property Address</i>	555 Princess Street, Kingston, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	Imperial Oil Limited
<i>Lot Size</i>	Rhomboid shaped site with an area of 15,899 sq ft. - 0.36 acre. (Geowarehouse).
<i>Improvements Existing</i>	The site is cleared vacant land. It was previously used as a gas station.
<i>Proposed development</i>	Proposed student housing development comprising an 11-storey building having a total Gross Floor Area of 150,000 sq ft. and containing 194 units which can accommodate a maximum of 358 students.
<i>Purchase Details</i>	The Subject Property is owned by Imperial Oil Limited. We understand that the site will be acquired by Textbook Student Suites Inc. for \$2,000,000.
<i>Planning</i>	Main Street Commercial.
<i>Zoning</i>	C4-H Commercial.
<i>Site Plan Application</i>	No formal site plan application has been made to the city planning department. However, we understand that there have been some meetings with the City planning staff to discuss the proposed development and that the proposed development is receiving positive response.
<i>Highest and Best Use</i>	Development of the site with a student housing property.

VALUATION CONCLUSION

Project Total Revenue	\$61,902,457
Total Project Cost (including Land)	\$53,340,339
Developer's Profit:	\$8,562,118
Residual value of site based on this pro forma:	\$8,499,241
Rounded:	\$8,500,000

MICHAEL CANE CONSULTANTS

Residual Unit Value:

Price per sq ft GFA:	\$56.67
Price per sq ft NSA:	\$73.62
Price per suite:	\$43,814
Price per bed:	\$23,743

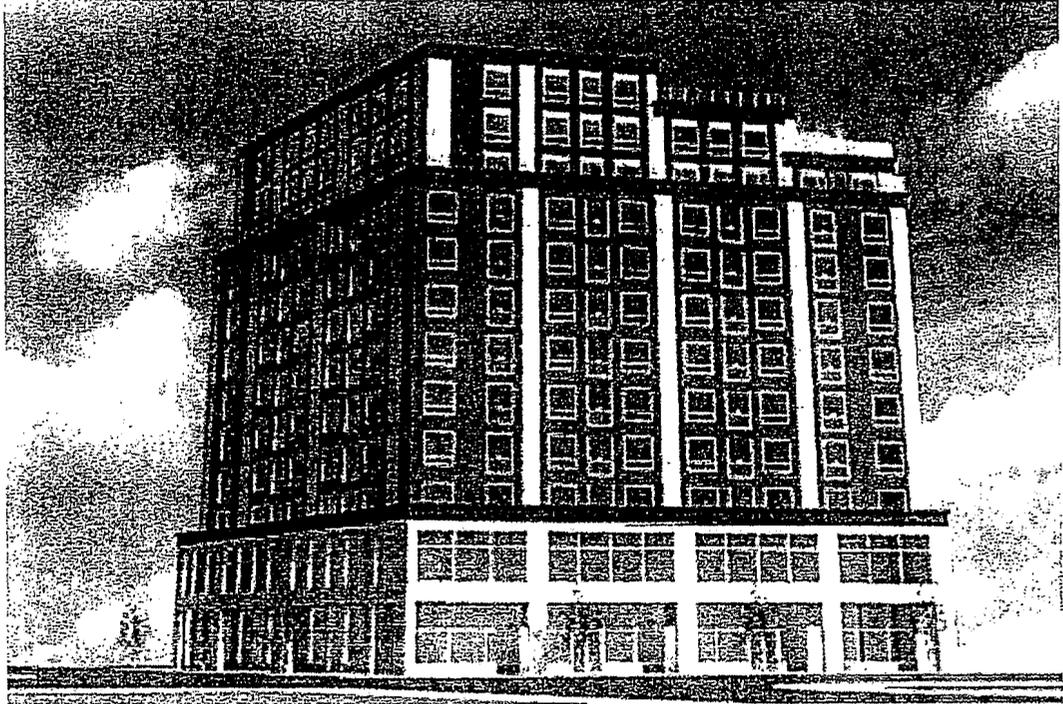
This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

Appraisal of

PROPOSED STUDENT HOUSING DEVELOPMENT

525 PRINCESS STREET, KINGSTON, ONTARIO.



at

JULY 10, 2015

Prepared for

TEXTBOOK STUDENT SUITES INC.

Prepared by

MICHAEL CANE CONSULTANTS

August 17, 2015

Textbook Student Suites Inc.
51 A Caldari Road, Suite 1-M
Vaughan, Ontario
L4K 4G3

Attn: Mr. John Davies, Co-President

Dear Sirs:

Re: Appraisal of Proposed Student Housing Development at 525 Princess Street, Kingston, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 0.43 acre site with a development of 132 student residential suites in a 12-storey building. We have seen preliminary plans and elevations of this proposed development prepared by SRM Architects and we understand that preliminary discussions with the City of Kingston planning department have been encouraging but an official application has not yet been submitted.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the subject site, assuming it could be developed as set out below, as at July 10, 2015 is as follows:

Six Million Four Thousand Dollars

\$6,400,000

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants



Michael S. Cane, FRICS, AACI, PLE

Michael Cane Consultants

18976 Kennedy Road

SHARON, ON L0G 1V0

P-416-312-2263

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MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	July 10, 2015
<i>Property Location</i>	The Subject Property is located on the northeast corner of Princess Street & Alfred Street approximately 1/2 km north of Queens University campus.
<i>Property Address</i>	525 & 531 Princess Street, 349 & 351 Alfred Street, Kingston, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	525 Princess Street: Paul Rapin. 531 Princess Street: Jack Blacklock Used Cars Limited. 349 Alfred Street: Jack Blacklock 351 Alfred Street: Jack Blacklock Used Cars Limited.
<i>Lot Size</i>	525 Princess Street: Irregular shaped site with an area of 2,863 sq ft. - 0.066 acre. 531 Princess Street: Irregular shaped site with an area of 9,000 sq ft. - 0.207 acre. 349 Alfred Street: Rectangular shaped site with an area of 4,909 sq ft.- 0.113 acre 351 Alfred Street: Rectangular shaped site with an area of <u>1,916 sq ft.</u> - 0.044 acre Total: (Geowarehouse). 18,656sq ft.- 0.428 acre.
<i>Purchase Details</i>	525 Princess Street: Purchased on April 15, 2013 by Paul Rapin for \$330,000 531 Princess Street: Owned by Jack Blacklock Used Cars Limited since December 28, 1971. 349 Alfred Street: Purchased by Jack Blacklock in December 1964. 351 Alfred Street: Purchased by Jack Blacklock Used Cars Limited in October 1968
<i>Improvements Existing</i>	525 Princess Street: Two storey commercial property. 531 Princess Street: Car dealership lot. Small single-storey building forming car dealership office. 349 Alfred Street: Two Storey Commercial building. 351 Alfred Street: Car Dealership Lot.
<i>Proposed development</i>	Proposed student housing development comprising an 12-storey building having a total Gross Floor Area of 124,318sq ft. and containing 132 units which can accommodate a maximum of 252 students.
<i>Purchase Details</i>	We understand that the sites will be acquired by Textbook Student Suites Inc. for \$2,350,000
<i>Planning</i>	Main Street Commercial
<i>Zoning</i>	C4-H Commercial.

MICHAEL CANE CONSULTANTS

Site Plan Application

No formal site plan application has been made to the city planning department. However, we understand that there have been some meetings with the City planning staff to discuss the proposed development and that the proposed development is receiving positive response.

Highest and Best Use

Development of the site with a student housing property.

VALUATION CONCLUSION

Project Total Revenue	\$43,317,134
Total Project Cost (including Land)	\$40,340,012
Developer's Profit:	\$6,497,570
Residual value of site based on this pro forma:	\$6,391,425
Rounded:	\$6,400,000
Residual Unit Value:	
Price per sq ft GFA:	\$51.48
Price per sq ft NSA:	\$72.11
Price per suite:	\$48,485
Price per bed:	\$25,397

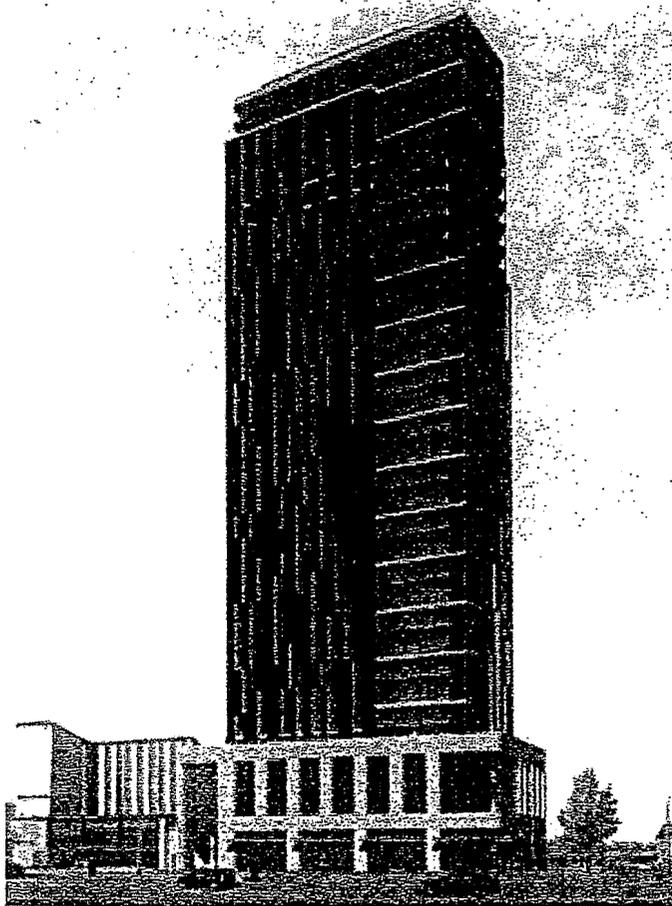
This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

Appraisal of

PROPOSED STUDENT HOUSING DEVELOPMENT

445 PRINCESS STREET, KINGSTON, ONTARIO.



at

FEBRUARY 19, 2016

Prepared for

TEXTBOOK (445 PRINCESS STREET) INC.

Prepared by

MICHAEL CANE CONSULTANTS

February 19, 2016

Textbook (445 Princess Street) Inc.
51 A Caldari Road, Suite 1-M
Vaughan, Ontario
L4K 4G3

Attn: Mr. John Davies, Co-President

Dear Sirs:

Re: Appraisal Update - Proposed Student Housing Development at 445 Princess Street, Kingston, Ontario.

In accordance with your instructions, we have prepared an update of our Appraisal Report dated September 22, 2015 for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 0.58-acre site with a development of approximately 297 student residential suites and 513 beds in a 30-storey building above a 3-storey podium including a ground floor Shoppers Drug Mart, second floor offices and third floor amenity area. We have seen preliminary plans and elevations of this proposed development which are being prepared by SRM Architects and we understand that preliminary discussions with the City of Kingston planning department have been encouraging but an official application has not yet been submitted.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the subject site, assuming it could be developed as set out below, as at February 19, 2016 is as follows:

Fifteen Million Four Hundred & Fifty Thousand Dollars

\$15,450,000

This Short Narrative Report that follows is an update of our previous report dated September 22, 2015 which reported a value of \$14,500,000 with an effective date of July 10, 2015. In this current report, we have detailed any changes that have taken place with respect to the proposed development.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.

- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read "M. S. Cane", with a horizontal line underneath.

Michael S. Cane, FRICS, AACI, PLE

Michael Cane Consultants
 18976 Kennedy Road
 SHARON, ON L0G 1V0
 P-416-312-2263

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Appendix 10 -	Qualifications of Appraiser

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	February 19, 2016
<i>Property Location</i>	The Subject Property is located on the northwest corner of Princess Street & Division Street approximately 1/2 km north of Queens University campus.
<i>Property Address</i>	429 & 445 Princess Street, Kingston, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	Globular Drugs Ltd.
<i>Lot Size</i>	"Flatiron" shaped corner site with an area of 25,231sq ft. - 0.58 acre. (Geowarehouse).
<i>Improvements Existing</i>	The site is improved with a single storey Shoppers Drug Mart building and surface parking lot.
<i>Proposed development</i>	Proposed student housing development comprising a 30-storey tower having a total Residential Gross Floor Area of 179,820 sq ft. above grade, (Previously; 196,000 sq ft.) and containing 297 units, (previously 240 units) which can accommodate a maximum of 513 students, (previously 480 students) located above a 3 level podium comprising 13,680 sq ft. of ground floor Shoppers Drug Mart (previously 17,000 sq ft.) and 15,320 sq ft. of second floor office space (previously 22,800 sq ft.) and third floor amenity area. The total Gross Floor Area above grade is estimated by the architects as 272,480 sq ft. (previously 278,700 sq ft.)
<i>Purchase Details</i>	The Subject Property is owned by Globular Drugs Ltd. (Shoppers Drug Mart). We understand that the site will be acquired by Textbook Student Suites Inc. for \$9,300,000.
<i>Planning</i>	Main Street Commercial.
<i>Zoning</i>	C - Commercial.
<i>Site Plan Application</i>	No formal site plan application has been made to the city planning department. However, we understand that there have been some meetings with the City planning staff to discuss the proposed development and that the proposed development is receiving positive response.
<i>Highest and Best Use</i>	Development of the site with a student housing property together with retail and office use.

VALUATION CONCLUSION

Project Total Revenue	\$102,494,364
Total Project Cost (including Land)	\$89,445,768
Developer's Profit:	\$13,038,596
Residual value of site based on this pro forma:	\$15,446,256
Rounded:	\$15,450,000

Residual Unit Value:

Price per sq ft Total GFA:	\$57
Price per sq ft Res GFA:	\$86
Price per suite:	\$52,020
Price per bed:	\$30,117

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

Appraisal of

PROPOSED STUDENT HOUSING DEVELOPMENT

ROSS PARK, 1240 RICHMOND STREET, LONDON, ONTARIO.



at

MARCH 23, 2015

Prepared for

TEXTBOOK STUDENT SUITES (ROSS PARK) INC.

Prepared by

MICHAEL CANE CONSULTANTS

April 23, 2015

Textbook Student Suites (Ross Park) Inc.
51 A Caldari Road, Suite 1-M
Vaughan, Ontario
L4K 4G3

Attn: Mr. John Davies, Co-President

Dear Sirs:

Re: Appraisal of Proposed Student Housing Development at 1240 Richmond Street, London, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 0.60 acre site with a development of 229 student residential suites in a 6 & 17-storey building. We have seen plans and elevations of this proposed development prepared by SRM Architects and we understand that preliminary discussions with the City of London planning department have been encouraging but an official application has not yet been submitted.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the subject site, assuming it could be developed as set out below, as at March 23, is as follows:

Thirteen Million Five Hundred & Fifty Thousand Dollars

\$13,550,000.00

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read 'M. S. Cane', with a horizontal line underneath.

Michael S. Cane, FRICS, AACI, PLE

Michael Cane Consultants

18976 Kennedy Road

SHARON, ON L0G 1V0

P-416-312-2263

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MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	March 23, 2013
<i>Property Location</i>	The Subject Property is located on the northeast corner of Richmond Street and Raymond Avenue in the north part of the City of London, opposite the University of Western campus.
<i>Property Address</i>	1240 Richmond Street, London, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	2377358 Ontario Limited.
<i>Lot Size</i>	Six adjoining Residential improved lots having a total area of 32,949 sq ft. (Geowarehouse).
<i>Improvements Existing</i>	The site is improved with six detached older dwellings.
<i>Proposed development</i>	Proposed student housing development comprising a 6 & 17 storey building having a total Gross Floor Area of 153,065 sq ft. and containing 229 units which can accommodate a maximum of 347 students.
<i>Purchase Details</i>	Five of the six residential lots were acquired in 2014 by 2377358 Ontario Limited. One lot (1234 Richmond Street) was acquired in 1987. We understand that the Subject Property will be purchased by Textbook Campus Suites Inc for \$7,300,000.
<i>Zoning</i>	R1-5(3) Single Family Residential.
<i>Site Plan Application</i>	No formal site plan application has been made to the city planning department. However, we understand that there have been several meetings with the City planning staff to discuss the proposed development and that the proposed development is receiving positive response.
<i>Highest and Best Use</i>	Development of the site with a student housing property comprising 229 units.

VALUATION CONCLUSION

Project Total Revenue	\$62,561,280
Total Project Cost (including Land)	\$53,521,005
Developer's Profit:	\$9,094,275
Residual value of site based on this pro forma:	\$13,548,994
Rounded:	\$13,550,000

MICHAEL CANE CONSULTANTS

Residual Unit Value:

Price per sq ft GFA:	\$87.22
Price per sq ft NSA:	\$102.63
Price per suite:	\$60,682
Price per bed:	\$38,472

This hypothetical value estimate assumes the following:

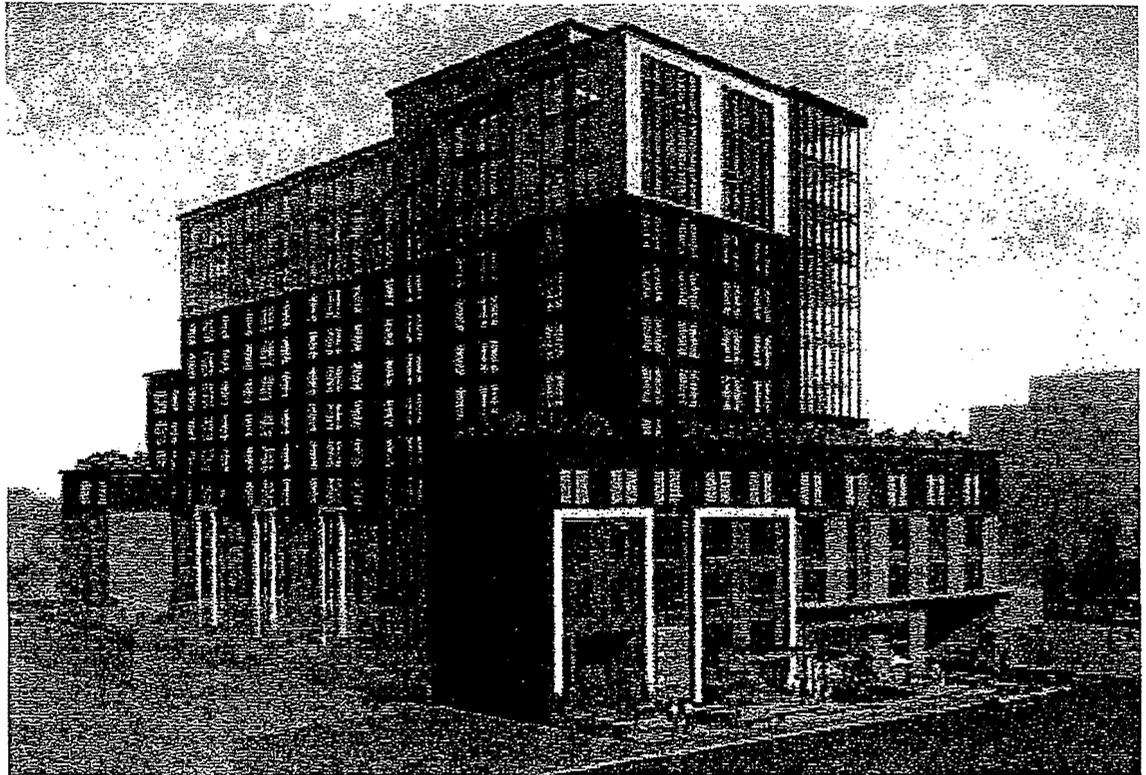
- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.



Appraisal of

PROPOSED STUDENT HOUSING DEVELOPMENT

774 BRONSON AVENUE, OTTAWA, ONTARIO.



at

NOVEMBER 20, 2015

Prepared for

TEXTBOOK STUDENT SUITES INC.

Prepared by

MICHAEL CANE CONSULTANTS

November 26, 2015

Textbook Student Suites Inc.
51 A Caldari Road, Suite 1-M
Vaughan, Ontario
L4K 4G3

Attn: John Davies, Co-President,

Dear Sirs;

Re: Appraisal: Proposed Student Housing Project: 774 Bronson Avenue, Ottawa, Ontario.

In accordance with your instructions we have made investigations and studies, for the purpose of expressing our opinion as to its current hypothetical market value of the Subject Property. We inspected the Subject Property and confirmed the municipal information on Friday, November 20, 2015.

The purpose of this report is to estimate the hypothetical market value of the leased fee interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 0.894-acre site with a development of 182 student residential suites in a 12-storey building. We have seen plans and elevations of this proposed development which are prepared by SRM Architects and we understand an application for the proposed development is about to be submitted to the City of Ottawa.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the subject site, assuming it could be developed as set out below, as at November 20, 2015 is as follows:

Sixteen Million, Five Hundred & Seventy Five Thousand Dollars

\$16,575,000

This Short Narrative Report sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.

- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants



Michael S. Cane, FRICS, AACI, PLE

Michael Cane Consultants
18976 Kennedy Road
SHARON, ON L0G 1V0
P-416-312-2263

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MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	November 20, 2015
<i>Property Location</i>	The Subject Property is located between Bronson Avenue and Cambridge Street South, south of Carling Avenue in a neighbourhood which is south of Ottawa's CBD and approximately one KM north of Carleton University.
<i>Property Address</i>	774 Bronson Avenue, & 557 Cambridge Street South, Ottawa, Ontario.
<i>Property Rights Appraised</i>	Leased Fee Interest.
<i>Ownership</i>	Samcon Cambridge Inc.
<i>Lot Size</i>	Two adjoining rectangular lots: 774 Bronson Avenue: 0.449 acre 557 Cambridge Street S: <u>0.445 acre</u> Total: 0.894 acre
<i>Improvements Existing</i>	The site is vacant cleared land apart from a small single storey building fronting Bronson Avenue, previously used as a sales office.
<i>Proposed development</i>	Proposed student housing development comprising a 12-storey building having a total Gross Floor Area of 161,997 sq ft. and containing 182 units which can accommodate a maximum of 354 students.
<i>Purchase Details</i>	The Subject Property is owned by Samcon Cambridge Inc. and was purchased by them on June 22, 2012 for \$5,095,000. We understand that the site will be acquired by Textbook Student Suites Inc. for \$10,250,000.
<i>Planning</i>	General Urban Area.
<i>Zoning</i>	Arterial Mainstreet Zone - AM1
<i>Site Plan Application</i>	Discussions held with City of Ottawa planning department but no formal application has been made.
<i>Highest and Best Use</i>	Development of the site with a student housing property.

VALUATION CONCLUSION

Project Total Revenue	\$68,639,064
Total Project Cost (including Land)	\$58,429,559
Developer's Profit:	\$10,209,505
Residual value of site based on this pro forma:	\$16,575,398
Rounded:	\$16,575,000

MICHAEL CANE CONSULTANTS

Residual Unit Values:

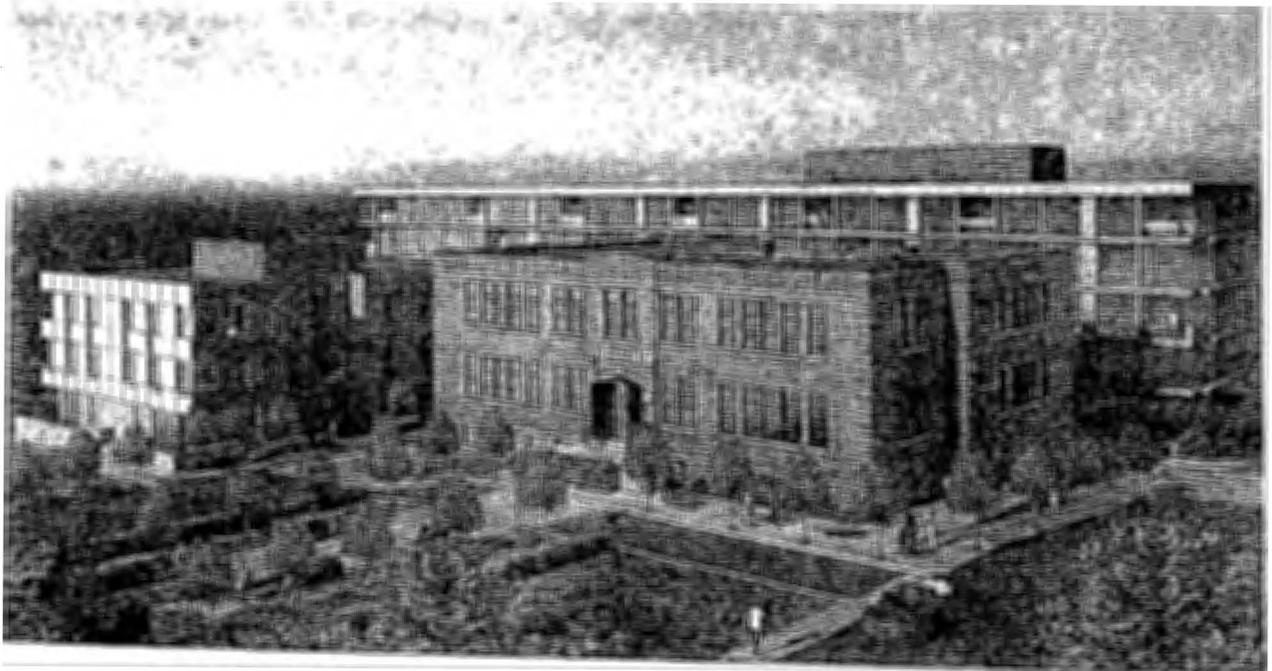
Price per sq ft GFA:	\$102.32
Price per sq ft NSA:	\$127.30
Price per suite:	\$91,071
Price per bed:	\$46,822

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.
- The developers will commence development of this property in a timely manner.

Appraisal of

PROPOSED CONDOMINIUM DEVELOPMENT AT
28 MCMURRAY STREET, BRACEBRIDGE, ONTARIO.



at

OCTOBER 1, 2013

Prepared for
MCMURRAY STREET INVESTMENTS INC.

Prepared by
MICHAEL CANE CONSULTANTS

MICHAEL CANE CONSULTANTS

November 11, 2013

Piller Financial Services Inc.
14126 Road #38
P.O.Box 208
Sharbot Lake,
Ontario
K0H 2P0

Attn: Mr. Leo Lee, Senior Manager – Commercial Lending

Dear Sirs:

**Re: Appraisal of Proposed Condominium Development at 28 McMurray Street,
Bracebridge, Ontario.**

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development of the first phase on a 2.9-acre site with three interconnected condominium buildings comprising the Library Building with 5-storeys and 60 condominium units, Grove Building with 3 storeys and 15 condominium units, and the Schoolhouse building with 2 storeys plus full basement and 12 condominium units.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the 2.9-acre subject site assuming it could be developed as set out below, as at October 1, 2013 is as follows:

Eight Million Four Hundred & Forty Eight Thousand Dollars

\$8,448,000.00

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

18976 Kennedy Road, Sharon, Ontario
L0G 1V0
Phone: 1-905-557-0775
Cell: 416-312-2263
Email: michaelcane@rogers.com

November 13, 2013

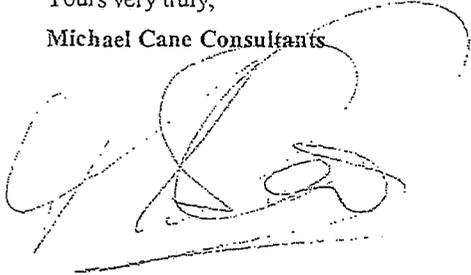
This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.

We understand that the balance of the site, which will form phase 2 of this development, will be developed with residential condominiums and possibly some senior's residences. In our previous appraisal we estimated the value of the Phase 2 Site at \$2,000,000. We believe that this value still applies. This amount is included in the total above.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read "Michael S. Cane", written over a horizontal line.

Michael S. Cane, FRICS, AACI, PLE

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C.B. Ross Report
Qualifications of Appraiser

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	October 1, 2013
<i>Property Location</i>	The property is located within the Central Business District of the Town of Bracebridge in the centre of an area bounded by Manitoba Street, Monck Road, Wellington Street and the Muskoka River.
<i>Property Address</i>	28 McMurray Street, Bracebridge, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	McMurray Street Investments Inc.
<i>Lot Size</i>	Irregular shaped site with frontages on to McMurray Street, Quebec Street & Armstrong Street. The total site area is 5.816 acres. The Phase 1 site is 2.9 acres. And Phase 2 site is 2.916 acres
<i>Improvements Existing</i>	The previous improvements, comprising a school, consisted of three buildings, two of which have been demolished. The remaining historic three storey brick main schoolhouse building has been retained and will form part of the new development.
<i>Proposed development</i>	Phase 1 of the proposed development of this site (2.9-acres) comprises 3 buildings: <ul style="list-style-type: none"> o Library Building (New); 5-storeys with 60 condominium units. o Grove (New); 3 storeys with 15 condominium units. o Schoolhouse (Existing); 2 storeys plus full basement 12 units.
<i>Purchase Details</i>	The entire site (5.816 acres) was purchased by McMurray Street Investments from Trillium Lakelands District School Board on January 15, 2010 for \$650,000 under Instrument No. MT-77728.
<i>Zoning</i>	Residential Type 4(R4) Zone
<i>Highest and Best Use</i>	Development of the subject site (Phase 1) with a total of 87 unit condominium apartments in three buildings.

VALUATION CONCLUSION

Phase 1

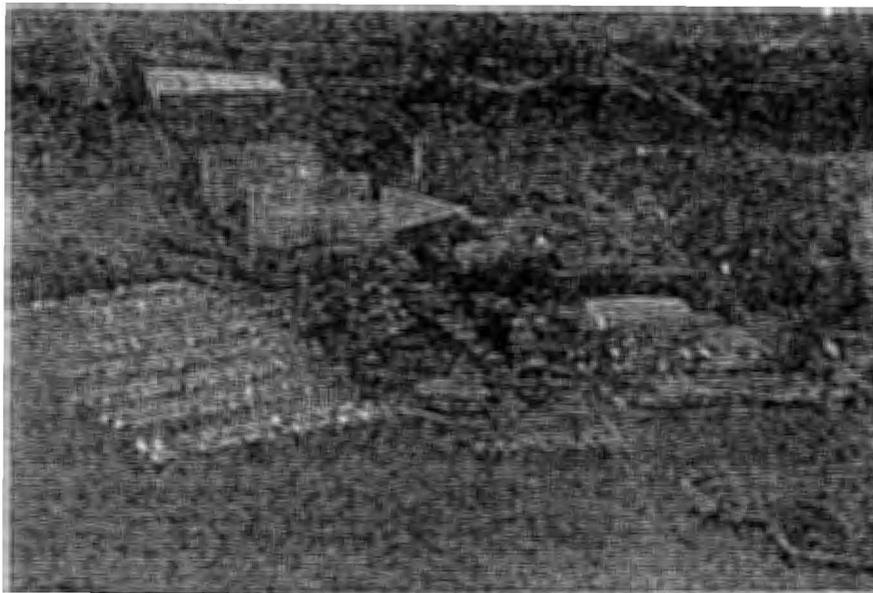
Project Total Revenue	\$29,102,505
Total Project Cost	\$24,907,004
Developers Profit:	\$4,195,501
Residual Value of Land Plus value of work to date:	\$6,448,274
Rounded:	\$6,448,000
Phase 2	\$2,000,000
Total	\$8,448,000

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- The developers will commence development of this property in a timely manner.
- That the necessary planning approvals will be obtained in a timely manner.

Appraisal of

PROPOSED CONDOMINIUM DEVELOPMENT LOCATED AT 1606-1614 CHARLES STREET,
WHITBY, ONTARIO.



at

AUGUST 1, 2016

Prepared for
SCOLLARD DEVELOPMENT CORPORATION

Prepared by
MICHAEL CANE CONSULTANTS

MICHAEL CANE CONSULTANTS

August 12, 2016

Scollard Development Corporation

2355 Skymark Avenue, Suite 300

MISSISSAUGA, ON

L4W 4Y6

Attn: John E. Davies, President

Dear Sirs:

Re: Appraisal of Proposed Residential Condominium at 1606-1614 Charles Street, Whitby, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date.

The Subject Property comprises a rectangular shaped site having an area of approximately 2.90 acres with frontage on the west side of Charles Street, South of Victoria Street in the south part of the Town of Whitby, close to Whitby Harbour.

There is a proposal do develop this site with a condominium project containing a total of 291 units and having a total gross floor area of 242,000 sq ft. The project will be built in two phases.

Michael Cane Consultants

18976 Kennedy Road, Sharon, Ontario L0G 1V0

C-416-312-2263

MICHAEL CANE CONSULTANTS

As a result of these investigations, it is our opinion, based on the available information and using the Development Approach to value, that the estimated hypothetical market value of the subject site, assuming it could be developed as described in the report, as at August 1, 2014, is as follows:

SIXTEEN MILLION DOLLARS

(\$16,000,000.00)

This Short Narrative Report that follows sets out the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of the investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2.

This hypothetical value estimate assumes the following:

Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.

Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.

That the necessary planning approvals will be obtained in a timely manner.

The developers will commence development of this property in a timely manner.

Yours very truly,

Michael Cane Consultants



Michael S. Cane, FRICS, AACI, PLE

MICHAEL CANE CONSULTANTS

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MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

Effective Appraisal Date	August 1, 2016
Location	Located on the west side of Charles Street, South of Victoria Street in the south part of the Town of Whitby, close to Whitby Harbour.
Address	1606-1614 Charles Street, Whitby, Ontario.
Lot Size	Area: 2.91 acres (Geowarehouse).
Improvements Existing	Vacant site.
Proposed development	A four-storey residential condominium development to be built in two phases containing 120 & 171 units respectively for a total of 291 units. The total above grade gross floor area will be 242,000 sq ft.
Ownership & Purchase	The Subject Property was purchased by Scollard Development Limited in the amount of \$9,000,000. on September 8, 2014.
Official Plan	Residential.
Zoning	An application for site plan approval was submitted together with all required plans and studies on January 21, 2015. This application was for a 4 storey condominium development with gross floor area of 163,336 sq ft. We understand that the developer is amending this application to include an additional floor and an increase in gross floor area to 242,000 sq ft.
Highest and Best Use	Development of the site with a residential condominium building.

MICHAEL CANE CONSULTANTS

VALUATION CONCLUSION

Project Total Revenue	\$90,632,567
Total Project Cost (including Land)	\$77,999,031
Developer's Profit:	\$12,633,536
Residual value of site based on this pro forma:	\$16,327,654
Rounded:	\$16,000,000

Residual Unit Value:

Price per sq ft GFA:	\$66.12
Price per sq ft NSA:	\$77.97
Price per suite:	\$54,983
Ratio to Project Total Revenues:	18%

This hypothetical value estimate assumes the following:

Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.

Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.

That the necessary planning approvals will be obtained in a timely manner.

The developers will commence development of this property in a timely manner.

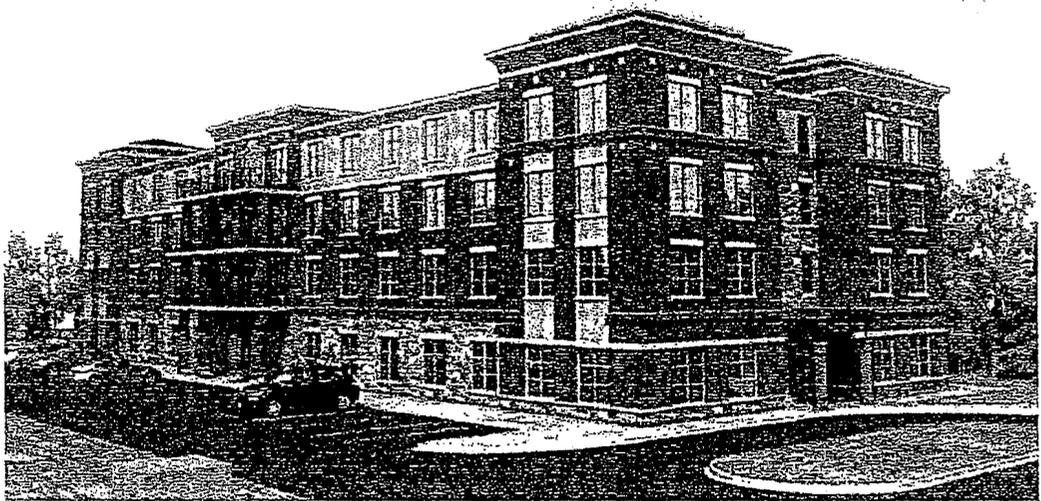
MICHAEL CANE CONSULTANTS

Appraisal of

PROPOSED RETIREMENT FACILITY

CLARENDON PARK RETIREMENT RESIDENCES

2170 GHENT AVENUE, BURLINGTON, ONTARIO.



at

FEBRUARY 23, 2015

Prepared for

MEMORY CARE INVESTMENTS (BURLINGTON) LTD.

Prepared by

MICHAEL CANE CONSULTANTS

MICHAEL CANE CONSULTANTS

March 10, 2015

1703858 Ontario Ltd.
2355 Skymark Avenue, Suite 300
MISSISSAUGA
ONTARIO
L4W 4Y6

Attn: Mr. John Davies, President

Dear Sirs:

Re: Appraisal of Proposed Retirement Residences Development at 2168-2174 Ghent Avenue, Burlington, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date; February 23, 2015.

The values shown below are based on a specific proposed development on a 43,500 sq ft site with a development of 60 unit retirement residences accommodating 72 residents in a 4-storey building. We have seen architectural plans of this proposed development prepared by Fabiani Architects Ltd. and we understand that Draft Site Plan Approval has been granted by the City of Burlington Planning Department.

The current municipal address is 2168 & 2174 Ghent Avenue, However, we understand that will be changed to 2170 Ghent Avenue.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the 43,500 sq ft. site plus the value of improvements to date, assuming it could be developed as set out in this report, as at February 23, 2015 is as follows:

Eight Million, Two Hundred and Sixty Five Thousand Dollars

\$8,265,000

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.

MICHAEL CANE CONSULTANTS

- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the remaining planning approvals will be obtained in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read "M. Cane", with a horizontal line underneath.

Michael S. Cane, FRICS, AACI, PLE

MICHAEL CANE CONSULTANTS

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Appendix 8 -	Qualifications of Appraiser

MICHAEL CANE CONSULTANTS

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	February 23, 2015
<i>Property Location</i>	One block south of Prospect Street between Brant Street and Guelph Line in the City of Burlington.
<i>Property Address</i>	2168-2174 Ghent Avenue, Burlington, Ontario. (To be known as 2170 Ghent Avenue)
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	1703858 Ontario Ltd.
<i>Lot Size</i>	2168 Ghent Avenue: 15,000 sq ft 2174 Ghent Avenue: <u>28,500 sq ft</u> Total: 43,500 sq ft
<i>Improvements Existing</i>	None
<i>Proposed development</i>	60-unit retirement residences accommodating 72 residents in a 4-storey building.
<i>Purchase Details</i>	2168 Ghent Avenue: August 8, 2007 by 1703858 Ontario Ltd. Price \$500,000. 2174 Ghent Avenue: October 17, 2006 by 1703858 Ontario Ltd. Price \$465,000.
<i>Official Plan</i>	Residential Medium Density.
<i>Zoning</i>	RM2-Medium Density Zone
<i>Highest and Best Use</i>	Development of the site with a retirement residence comprising approximately 60 retirement apartments.

VALUATION CONCLUSION

Project Total Revenue	\$36,157,091
Total Project Cost	\$31,063,174
Profit:	\$5,093,917
Net present value of site based on this pro forma:	\$8,265,507
Rounded:	\$8,265,000

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.

MICHAEL CANE CONSULTANTS

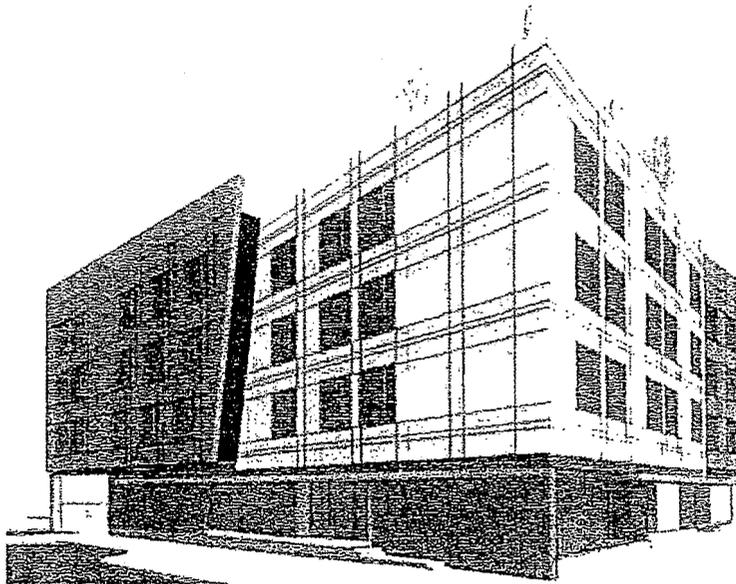
- The room income and operating costs provided to us will remain more or less the same. Any alterations in these numbers may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- The developers will commence development of this property in a timely manner.
- That the necessary planning approvals will be obtained in a timely manner.

Appraisal of

PROPOSED RETIREMENT FACILITY

60 SUITES FOR 75 RETIREMENT RESIDENTS

105 GARDEN DRIVE, OAKVILLE, ONTARIO.



at

MARCH 5, 2015

Prepared for

MEMORY CARE INVESTMENTS (OAKVILLE) LTD.

Prepared by

MICHAEL CANE CONSULTANTS

March 10, 2015

Memory Care Investments (Oakville) Ltd.
2355 Skymark Avenue, Suite 300
MISSISSAUGA
ONTARIO
L4W 4Y6

Attn: Mr. John Davies.

Dear Sirs:

Re: Appraisal of Proposed Retirement Residence Development at 105 Garden Drive, Oakville, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the market value of the freehold interest in the subject property as of the effective date; March 5, 2015.

The values shown below are based on a specific proposed development on a 0.371 acre site with a development of an Alzheimer's residence accommodating 75 residents in 60-suites in a 4-storey building. We have seen architectural plans of this proposed development prepared by Fabiani Architects Ltd. and we understand that Draft Site Plan Approval has been granted by the City of Burlington Planning Department.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the 0.371 acre site, assuming it could be developed as set out below, as at March 5, 2015 is as follows:

Nine Million Dollars

\$9,000,000

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the current holding designation on the approved site plan will be removed in a timely manner.

If you have any questions concerning the above, please contact the undersigned.



A handwritten signature in black ink, reading "M.S. Cane.", is enclosed within a rectangular box. The signature is written in a cursive style with a horizontal line underneath the name.

Michael S. Cane, FRICS, AACI, PLE

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1. Executive Summary

GENERAL

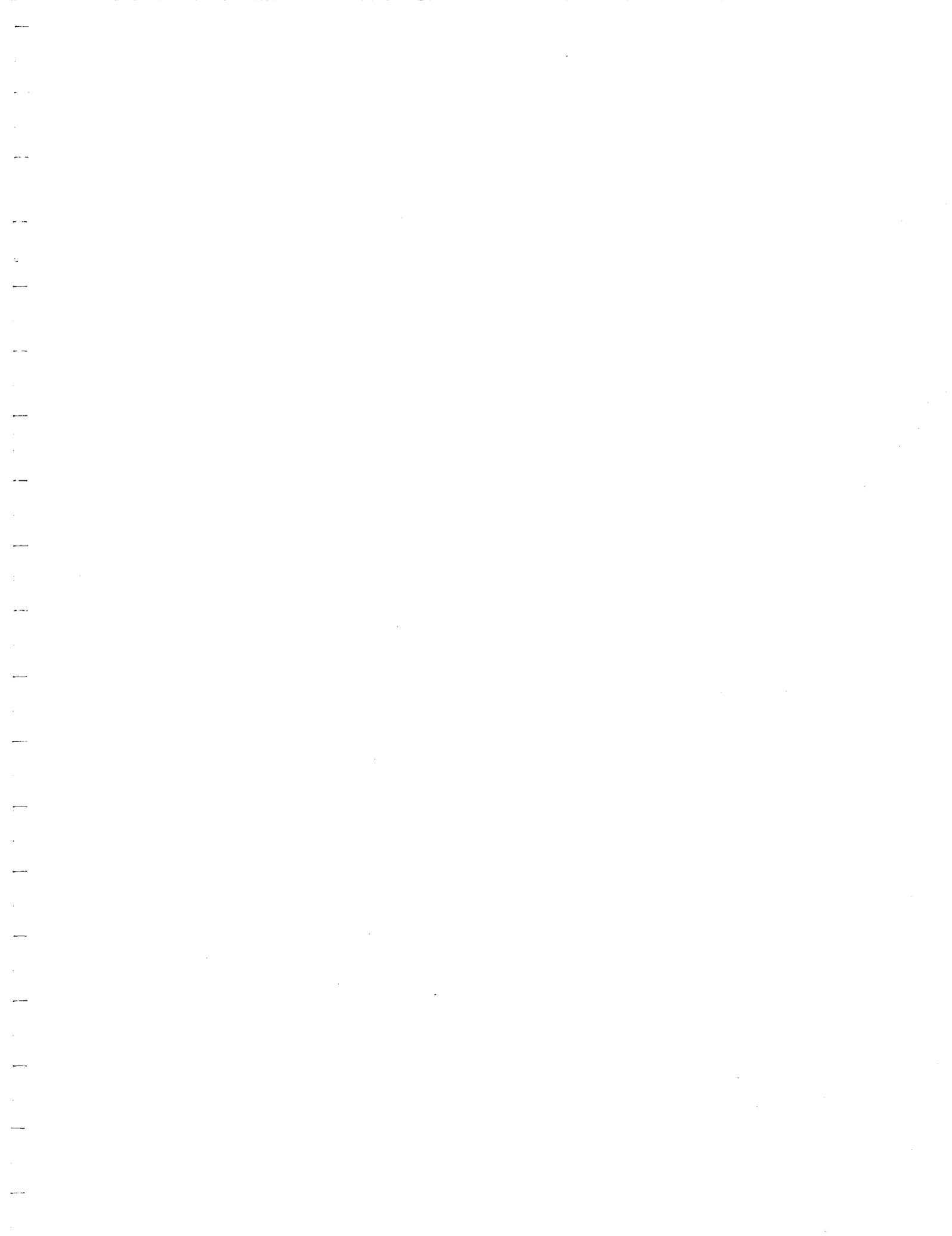
<i>Effective Appraisal Date</i>	March 5, 2015
<i>Property Location</i>	Southeast corner of the intersection of Lakeshore Road West and Garden Drive approximately 0.5 km west of downtown Oakville.
<i>Property Address</i>	105 Garden Drive, Oakville, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	Memory Care Investments (Oakville) Ltd.
<i>Lot Size</i>	0.371 acre
<i>Improvements Existing</i>	Vacant site
<i>Proposed development</i>	60-unit retirement residence accommodating 75 residents in a 4-storey building.
<i>Purchase Details</i>	The property was purchased by Memory Care Investments (Oakville) Ltd as follows: 103 Garden Drive: October 29, 2012 for \$895,000. 109 Garden Drive: October 29, 2012 for \$1,050,000
<i>Zoning</i>	Commercial - C3R Zone
<i>Highest and Best Use</i>	Development of the site with a retirement residence comprising approximately 60 units.

VALUATION CONCLUSION

Project Total Revenue	\$38,129,589
Total Project Cost (Including Land)	\$32,756,661
Profit:	\$5,372,929
Residual Value of site based on this pro forma:	\$9,060,637
Rounded:	\$9,000,000

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the current holding designation on the approved site plan will be removed in a timely manner.



Appraisal of

PROPOSED RETIREMENT FACILITY

169 BORDEN AVENUE NORTH, KITCHENER, ONTARIO.

at

JANUARY 29, 2015

Prepared for

2 3 7 2 5 1 9 O N T A R I O L T D .

Prepared by

MICHAEL CANE CONSULTANTS

January 29, 2015

2372519 ONTARIO LTD.

2355 Skymark Avenue, Suite 300
MISSISSAUGA
ONTARIO
L4W 4Y6

Attn: Mr. John Davies, President

Dear Sirs:

Re: Appraisal of Proposed Retirement Residence Development at 169 Borden Avenue North, Kitchener, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date; January 29, 2015

The values shown below are based on a specific proposed development on a 1.51 acre site with a development of an Alzheimer's residence accommodating 98 residents in a 3-storey building.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the 1.51 acre site, assuming it could continue to be developed as set out below, as at January 29, 2015 is as follows:

Ten Million Six Hundred Thousand Dollars

\$10,600,000

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

This value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

A handwritten signature in black ink, appearing to read "M.S. Cane.", is written over a horizontal line.

Michael S. Cane, FRICS, AACI, PLE

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1. Executive Summary

GENERAL

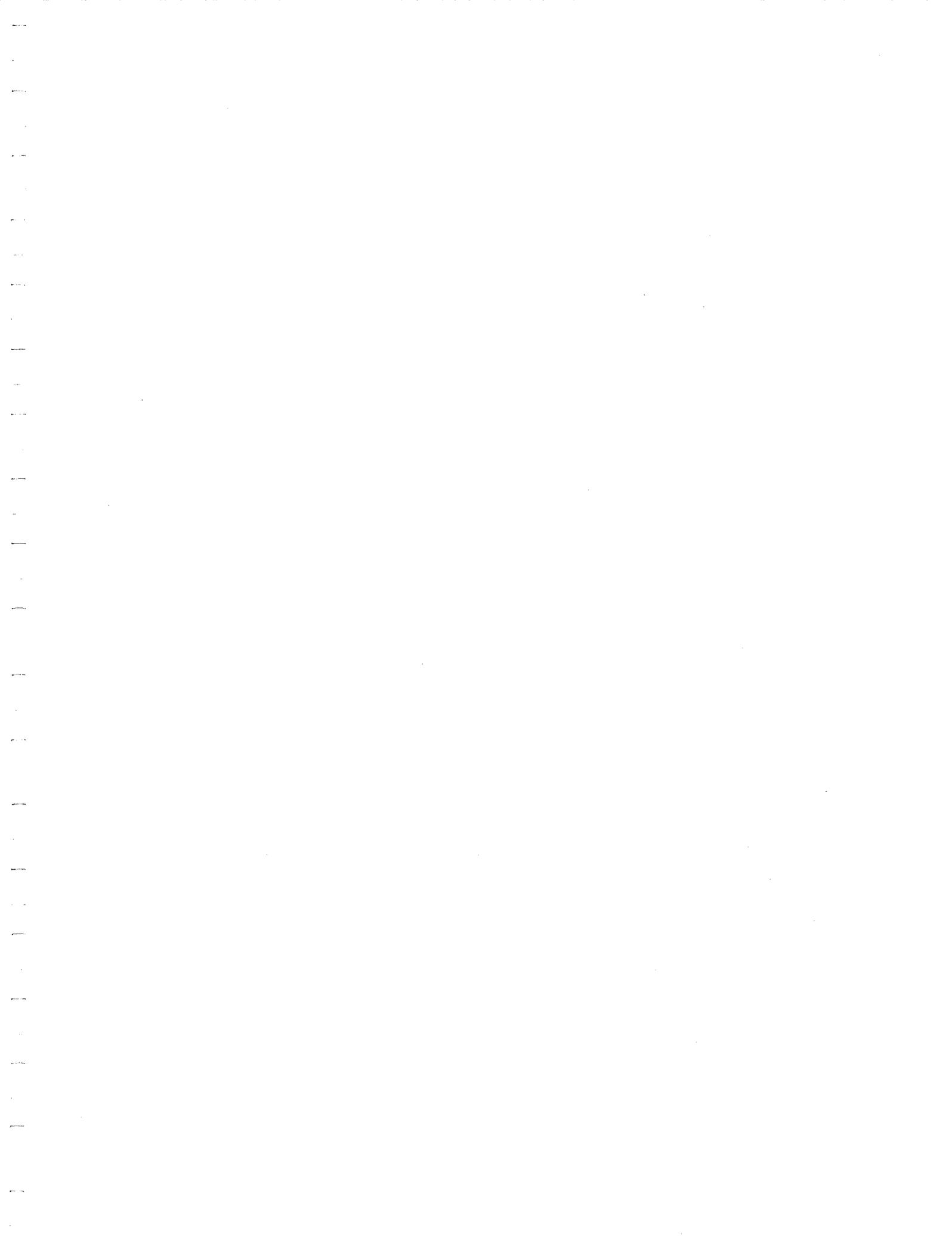
<i>Effective Appraisal Date</i>	January 29, 2015
<i>Property Location</i>	On the south side of Borden Avenue North, just west of East Avenue. The property faces Knollwood Park and is approximately 4 km southeast of Kitchener's central business district.
<i>Property Address</i>	169 Borden Avenue North, Kitchener, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	2372519 Ontario Ltd.
<i>Lot Size</i>	1.51 acres
<i>Previous Improvements</i>	The subject property was improved with a 38-suite retirement facility which has since been demolished. The two storey brick building was built in 1950. And has a gross floor area of 6,017 sq ft.
<i>Proposed development</i>	71-unit retirement property accommodating 98 residents in a 3-storey building.
<i>Purchase Details</i>	The property was purchased 25 February, 2014 by Memory Care Investments (Kitchener) Ltd. for \$3,950,000.
<i>Zoning</i>	Neighbourhood Institutional Zone (I-1)
<i>Highest and Best Use</i>	Development of the site with a retirement residence comprising approximately 98 apartments.

VALUATION CONCLUSION

Project Total Revenue	\$44,943,888
Total Project Cost (Including Land)	\$40,157,776
Profit:	\$8,088,280
Residual Value of site based on this pro forma:	\$10,581,002
Rounded:	\$10,600,000

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.



Appraisal of

PROPOSED CONDOMINIUM DEVELOPMENT AT

LEGACY LANE, HUNTSVILLE, ONTARIO.

at

OCTOBER 2, 2012

Prepared for

LEGACY LANE INVESTMENTS LIMITED.

Prepared by

MICHAEL CANE CONSULTANTS

October 2, 2012

Legacy Lane Investments Limited.
2355 Skymark Avenue, Suite 300
MISSISSAUGA
ONTARIO
L4W 4Y6

Attn: Mr. John Davies, President

Dear Sirs:

Re: Appraisal of Proposed Condominium Development at Legacy Lane, Ontario.

In accordance with your instructions, we have inspected the above property, and made certain investigations and studies, for the purpose of expressing our opinion as to its current market value.

The purpose of this report is to estimate the hypothetical market value of the freehold interest in the subject property as of the effective date based on the proposed development as set out in this report.

The values shown below are based on a specific proposed development on a 4.442 -acre site with a development of 39 townhouses and 108 apartments for a total of 145 units. We have not seen detailed plans of this proposed development and we understand that application to the Town of Huntsville is being made but not yet approved.

As a result of these investigations, it is our opinion based on the available information and using the Development Approach that the estimated hypothetical market value of the 4.442-acre subject site assuming it could be developed as set out below, as at October 2, 2012 is as follows:

Four Million Dollars

\$4,000,000.00

This Short Narrative Report that follows sets forth the identification of the property, the contingent and limiting conditions, pertinent facts about the area and the subject property, review of the proposed development, comparable data, the results of our investigations and analysis, any reports or plans relied upon, and the reasoned account leading to our conclusions.

We have prepared this report for your information and guidance. It may not be reproduced, in whole or in part, without the written consent of the undersigned and is subject to the limiting conditions as set out in Appendix 2 as well as the following extraordinary assumptions:

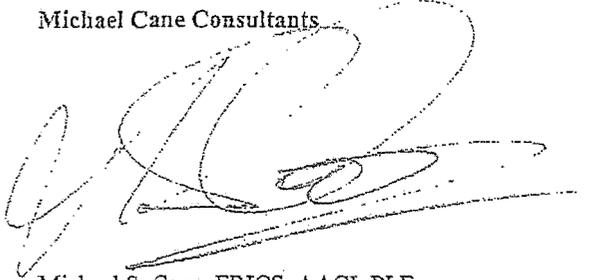
This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- That the necessary planning approvals will be obtained in a timely manner.

If you have any questions concerning the above, please contact the undersigned.

Yours very truly,

Michael Cane Consultants

A handwritten signature in black ink, appearing to read 'Michael S. Cane', written over a horizontal line.

Michael S. Cane, FRICS, AACI, PLE

TABLE OF CONTENTS

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1. Executive Summary	4
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Appendix 1-	Type of Report
Appendix 2 -	Limiting Conditions
Appendix 3 -	Title
Appendix 4 -	Planning and Zoning
Appendix 5 -	Development Pro Forma
Appendix 6 -	Argus Developer Reports
Appendix 7 -	Photographs of Subject Property
Appendix 8 -	Site Plan
Appendix 9 -	Qualifications of Appraiser

1. Executive Summary

GENERAL

<i>Effective Appraisal Date</i>	October 2, 2012
<i>Property Location</i>	The property is located in the Town of Huntsville approximately 1.5 km north of the downtown and just south of the big box shopping centre located south of the intersection of Highway 11 & Highway 60
<i>Property Address</i>	Lagacy Lane, Huntsville, Ontario.
<i>Property Rights Appraised</i>	Fee Simple Interest.
<i>Ownership</i>	McMurray Street Investments Ltd.
<i>Lot Size</i>	Irregular shaped site located adjacent and to the west of an existing retirement residential development developed by Chartwell. The site area is 4.442 acres.
<i>Improvements Existing</i>	There are no buildings on the subject site. It is bisected by a right-of-way which contains services.
<i>Proposed development</i>	Proposed development of 39 townhouses and 108 apartments for a total of 145 units. We have not seen detailed plans of this proposed development and we understand that application to the Town of Huntsville is being made.
<i>Purchase Details</i>	The site was purchased on October 2, 2012 by Legacy Lane Investments Limited for \$650,000
<i>Zoning</i>	R4-Residential
<i>Highest and Best Use</i>	development of the site with retirement residences comprising 39 townhouses and 108 apartments.

VALUATION CONCLUSION

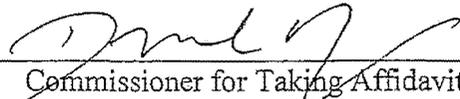
Project Total Revenue	\$46,249,536
Total Project Cost	\$38,950,067
Profit:	\$47,299,469
Net present value of site based on this pro forma:	\$3,899,042
Rounded:	\$4,000,000
Price per Sq Ft GFA:	\$26.00

This hypothetical value estimate assumes the following:

- Development costs provided us and indicated in the development approach will remain more or less the same. Any alterations in these projected costs may have a significant effect on the value as determined in this report.
- Similarly, any changes or deferrals of our estimates of timing of development will also have a significant effect on value.
- The developers will commence development of this property in a timely manner.
- That the necessary planning approvals will be obtained in a timely manner.

TAB B

THIS IS EXHIBIT "B"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 27th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beckett

\$463,410																						
PROFORMA SUMMARY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Cash flow - Capital cost	01-Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Units Occupied - Monthly	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units Occupied - Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERIM OPERATIONS																						
Monthly rent - Retail																						
Monthly rent - Residents																						
Less: Operating costs																						
Other																						
Total cash receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction % - Monthly	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	2.1%	2.1%	4.1%	6.9%	7.2%	7.7%	7.2%	6.7%	6.7%	6.7%
Construction % - Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.6%	2.6%	4.6%	8.8%	15.7%	22.9%	30.6%	37.6%	44.5%	51.2%	57.9%
COSTS / CASH PAYMENTS:																						
General Requirements	0										65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075
Site Work \ Connections	0												368,769	368,769								
Concrete/Formwork/Parking	0														885,022	885,022	885,022	885,022	885,022	885,022	885,022	885,022
Masonry	0																81,947	81,947	81,947	81,947	81,947	81,947
Metals	0																			81,947	81,947	81,947
Carpentry	0																			122,920	122,920	122,920
Thermal & Moisture Protection	0																			153,650	153,650	153,650
Doors & Windows	0																			184,380	184,380	184,380
Finishes	0																			215,110	215,110	215,110
Appliances \ Furnishings	0																					
Amenity, Specialties	0																					
Conveying Systems	0																					
Mechanical	0																					
Electrical	0																					
Upgrades & other	0																					
Construction Management	0												47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802
Construction Contingency	0												27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316
Design & Consulting	0						40,000	60,000	80,000	100,000	120,000	140,000	160,000	220,000	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316
Legal & Dev. Management	0								113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717
Sales & Marketing	0								11,000	11,000	75,222	75,222	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676
Interest & Finance	0	0	0	0	0	0	0	1,150,500	5,979	14,450	59,450	20,950	67,888	67,888	67,888	67,888	67,888	67,888	75,830	94,753	93,196	101,148
HST - Net of rebates	0																					
Soft cost contingency	0								13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043
Land Costs	0				100,000	100,000		1,836,000		100,000		4,582,724	100,000	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Total cash payments	0	0	0	0	100,000	140,000	60,000	3,206,261	243,740	436,433	466,508	4,979,186	1,047,278	744,242	1,260,505	1,936,563	2,018,510	2,141,430	2,026,452	1,908,358	1,916,801	1,924,753
CASH REQUIRED	0	0	0	0	100,000	140,000	60,000	3,206,261	243,740	436,433	466,508	4,979,186	1,047,278	744,242	1,260,505	1,936,563	2,018,510	2,141,430	2,026,452	1,908,358	1,916,801	1,924,753
FINANCING:																						
Equity advance	0	0	0	0	100,000	140,000	60,000	455,761	243,740	436,433	466,508	4,447,558										
Mezzanine Mortgage advance	0							717,500				5,632,500										
Construction advance	0							2,033,000				0	0	0	0	0	0	0	0	0	0	0
Total FINANCING	0	0	0	0	100,000	140,000	60,000	3,206,261	243,740	436,433	466,508	10,080,058	0	0	0	0	0	0	1,908,224	2,141,430	2,026,452	1,908,358
Closing bank balance	0	0	0	0	0	0	0	0	0	0	0	5,100,872	4,053,695	3,309,354	2,046,849	112,286	0	0	0	0	0	0
1) EQUITY FINANCING:																						
Opening Equity balance	0	0	0	0	0	100,000	240,000	300,000	755,761	899,501	1,435,934	1,902,442	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current advances (repaid)	0	0	0	0	100,000	140,000	60,000	455,761	243,740	436,433	466,508	4,447,558	0	0	0	0	0	0	0	0	0	0
Cummulative Equity balance	0	0	0	0	100,000	240,000	300,000	755,761	899,501	1,435,934	1,902,442	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
2) MEZZANINE FINANCING:																						
Opening Mezzanine balance	0	0	0	0	0	0	0	0	717,500	717,500	717,500	717,500	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current Advance (Repayment)	0	0	0	0	0	0	0	0	717,500	0	0	0	5,632,500	0	0	0	0	0	0	0	0	0
Cummulative Mezzanine balance	0	0	0	0	0	0	0	0	717,500	717,500	717,500	717,500	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
3) CONSTRUCTION FINANCING:																						
Opening Construction Loan balance	0									2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000
Current advance (repayment)	0									2,033,000											1,908,224	2,141,430
Cummulative Construction Loan balance	0									2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	2,033,000	3,939,224	6,080,654	8,107,106
Interest on Construction Loan	0	0	0	0	0	0	0	0	8,471	8,471	8,471	8,471	8,471	8,471	8,471	8,471	8,471	8,471	8,471	16,413	25,336	33,780
Average Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Interest on Mezz Financing	0	0	0	0	0	0	0	0	5,979	5,979	5,979	5,979	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917
Average Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
COMBINED INTEREST	0	0	0	0	0	0	0	0	5,979	14,450	14,450	14,450	61,388	61,388	61,388	61,388	61,388	61,388	69,330	78,253	86,696	94,648

PROFORMA SUMMARY	23	24	25	26	27	28	29	30	31	GRAND		
Cash flow - Capital cost	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	TOTAL		
						Substantial Completion	Occupancies		TAKE OUT			
Units Occupied - Monthly	0	0	0	0	0	65	65	65				
Units Occupied - Total	0	0	0	0	0	65	130	195				
INTERIM OPERATIONS												
Monthly rent - Retail									0	0		
Monthly rent - Residents						100,300	200,600	300,900	0	601,800		
Less: Operating costs						28,084	56,168	84,252	0	-168,504		
Other										0		
Total cash receipts	0	0	0	0	0	72,216	144,432	216,648	0	433,296	433,296	
Construction % - Monthly	6.9%	6.4%	6.7%	10.8%	10.5%	0.3%	0.3%	0.3%		100.0%		
Construction % - Total	64.7%	71.1%	77.8%	88.6%	99.1%	99.4%	99.7%	100.0%				
COSTS / CASH PAYMENTS:												
General Requirements	65,075	65,075	65,075	65,075	65,075				0	0	1,106,278	\$0.00
Site Work \ Connections									0	0	737,519	\$0.00
Concrete/Formwork/Parking									0	0	4,425,111	\$0.00
Masonry									0	0	491,679	\$0.00
Metals	81,947	81,947	81,947						0	0	491,679	\$0.00
Carpentry	122,920	122,920	122,920	122,920	122,920				0	0	983,358	\$0.00
Thermal & Moisture Protection	153,650	153,650	153,650	153,650	153,650				0	0	1,229,198	\$0.00
Doors & Windows	184,380	184,380	184,380	184,380	184,380				0	0	1,475,037	\$0.00
Finishes	215,110	215,110	215,110	215,110	215,110				0	0	1,720,877	\$0.00
Appliances \ Furnishings				921,898	921,898				0	0	1,843,796	\$0.00
Amenity, Specialties				61,460	61,460				0	0	122,920	\$0.00
Conveying Systems	122,920			122,920	122,920				0	0	491,679	\$0.00
Mechanical	389,246	389,246	389,246	389,246	389,246				0	0	4,670,951	\$0.00
Electrical	286,813	286,813	286,813	286,813	286,813				0	0	3,441,753	\$0.00
Upgrades & other				75,000	75,000				0	0	150,000	\$0.00
Construction Management	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	0	0	860,438	\$0.00
Construction Contingency	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	0	0	491,679	\$0.00
Design & Consulting	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	0	0	1,163,410	\$0.00
Legal & Dev. Management	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	0	0	2,615,500	\$0.00
Sales & Marketing	23,676	23,676	23,676	23,676	23,676	100,296	100,296	100,296	0	0	852,148	\$0.00
Interest & Finance	#VALUE!	117,154	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
HST - Net of rebates								2,490,309	0	0	2,490,309	\$0.00
Soft cost contingency	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	0	0	300,000	\$0.00
Land Costs	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	0	0	6,865,724	\$0.00
Total cash payments	#VALUE!	1,858,813	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
									Deferred			
CASH REQUIRED	#VALUE!	1,858,813	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
FINANCING:												
Equity advance									-6,350,000	0	0	\$0
Mezzanine Mortgage advance									-6,350,000	0	0	\$0
Construction advance	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total FINANCING	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Closing bank balance	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
1) EQUITY FINANCING:												
Opening Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	
Current advances (repaid)	0	0	0	0	0	0	0	0	-6,350,000	-6,350,000		
Cummulative Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	0	0		
2) MEZZANINE FINANCING:												
Opening Mezzanine balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	
Current Advance (Repayment)	0	0	0	0	0	0	0	0	-6,350,000	-6,350,000		

555 Princess Street, Kingston, ON
DETAILED CAPITAL COST ASSUMPTIONS
 as at 00-Jan-00

00-Jan-00

21-Jul-17

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COSTS
LAND
 Land - Purchase
 Land - Appreciation
 Title Fees / Transfer tax
 Parkland dedication
 City Dev Charges - Res
 City Dev Charges - Comm
 Section 37
 Realty Taxes
 Site Improvements
 Planning & re-zoning
Total LAND

CONSTRUCTION
 General Requirements
 Site Work
 Concrete \Formwork\Parking
 Masonry
 Metals/Balcony railings
 Carpentry
 Thermal & Moisture
 Doors & Windows
 Finishes
 Appliances \ Furniture
 Amenity equipment \ Furnishings
 Conveying Systems
 Mechanical
 Electrical
 Construction Management
 Construction Contingency
 Sub-total

DESIGN
 Architect
 Structural Engineer
 Mechanical & Electrical
 Landscape Architect
 Site Services \ Civil Eng.
 Interior Designer
 Cost planning
 Inspection & Site Testing
 Code consultant
 Soils \ Geotech \ Environmental
 Acoustic consultant
 Sprinkler consultant
 Vibration consultant
 Other consultants \ Studies
 Printing & disbursements
Total DESIGN

(1)	(2)	(3)			Notes - Est to complete
W.I.P.	Estimated to Complete	Total Forecast	SF / GFA	Units	
			163,893	195	
			\$2,000,000	\$0	Land Incl. Broker fee
			1.90%		% of land purchase
			6,756	13,512	2015 Greenbelt Rates Inflated 1.4%
			6,280	14.25	2015 Greenbelt Rates Inflated 1.4%
			1,500	155	Allowance for incr. units @ \$1,500 per
			18,000	2.50	Est annual tax x 2.5 years
					Allowance
					Budget for zoning approvals
					Cost
			\$150.00	163,893	24,583,950
			\$0.00	65	- Surface Parking
			\$0.00	195	- furnishings and utilities
					24,583,950
			\$6.75	\$5,673	4.50%
			\$4.50	\$3,782	3.00%
			\$27.00	\$22,693	Including parking structure 18.00%
			\$3.00	\$2,521	2.00%
			\$3.00	\$2,521	2.00%
			\$6.00	\$5,043	4.00%
			\$7.50	\$6,304	5.00%
			\$9.00	\$7,564	6.00%
			\$10.50	\$8,825	7.00%
			\$11.25	\$9,455	Includes in-suite furnishings 7.50%
			\$0.75	\$630	0.50%
			\$3.00	\$2,521	2.00%
			\$28.50	\$23,954	19.00%
			\$21.00	\$17,650	14.00%
			\$5.25	3.00%	Estimate of % hard costs 3.50%
			\$3.00	2.50%	2.00%
			150.00		100.00%
					Included above
			195	0	Included above
				0	Included above
			0.100%	30,000,000	Allowance for bonding key trades
			\$150.92		
				195	Units
			24,733,950	2.00%	of hard costs
				0.40%	"
				0.50%	"
				\$50,000	Allowance
				\$35,000	Allowance
				\$400	
				\$15,000	Allow for take off / CM Contract
				\$375	Bulletin 19
				\$25,000	Allowance
				\$40,000	
				\$10,000	Report
				\$10,000	Report
			4	\$2,500	Monthly monitoring
				\$50,000	Misc.
				\$50,000	Allowance

Deposit 200,000

1BR 202,688 2BR 2,229,406

555 Princess Street, Kingston, ON
DETAILED CAPITAL COST ASSUMPTIONS

as at 00-Jan-00

00-Jan-00

21-Jul-17

	(1) W.I.P.	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete
LEGAL & DEV. MANAGEMENT						
70	0	390,000	390,000	195	\$2,000	Lease \ Corp org \ Financing
71	0	22,500	22,500	3	\$7,500	Annual financials x years
72	0	78,000	78,000		\$400	
73	0	25,000	25,000		\$25,000	Out of pockets
74	0	0	0			
75	0	2,100,000	2,100,000	42,000,000	5.00%	TEXTBOOK Development fees as % total costs
	0	2,615,500	2,615,500			
SALES & MARKETING						
80	0	156,000	156,000		\$800	Allowance
81	0	50,000	50,000	1,000	\$50,000	Est 1,000 sf sales centre
82	0	60,000	60,000	12	\$5,000	Staff & overhead for one year
83	0	300,888	300,888	8.33%	\$3,610,800	Approx. 1 Month revenue
84	0	0	0	0.00%	0.00%	Incl above
85	0	100,000	100,000	0	\$100,000	Rental shortfall + Prop mngmnt
86	0	0	0		\$0.00	
87	0	157,000	157,000	6,280	\$25.00	Allowance per sf. (1 years' rent)
88	0	28,260	28,260	18.00%	157,000	5-year deal (6% + (4 x 3%))
	0	852,148	852,148			0
FINANCE						
90	0	833,000	833,000	2.00%	29,400,000	1% Lender + 1% Broker + 2.5% Stamping fee
91	0	317,500	317,500	5.00%	6,350,000	Lender \ broker fee \ legals
92	0	7,200	7,200	\$150.00	48	Montly bank charges
93	0	40,000	40,000	1	20,000	Allowance for 2 appraisal
94	0	5,000	5,000		\$5,000.00	BILD enrolment
95	0	0	0	0	0.00%	
96	0	12,500	12,500	2.50%	2	Allowance for \$250,000 K of LC to City
97	0	105,000	105,000	16	6,500	Bank's monitor during construction
98	0	1,029,333	1,029,333	6,350,000	10.00%	Estimate per cash flow
99	0	#VALUE!	#VALUE!		5.00%	Estimate as per cash flow
	0	#VALUE!	#VALUE!			0
INTERIM OPERATIONS						
100	0	-601,800	-601,800			Per cash flow
101	0	168,504	168,504			Per cash flow
102	0	0	0			
103	0	0	0			0
	0	-433,296	-433,296			0
CONTINGENCY & HST						
104	0	2,490,309	2,490,309	4.94%	50,380,869	Allowance for self-assessed HST
105	0	300,000	300,000			Allowance
	0	2,790,309	2,790,309	0	0	0
Total CAPITAL COSTS						
	0	#VALUE!	#VALUE!			

Sale:	Constr Start	Closing
75,222	75,222	150,444
75,222	75,222	150,444
386	386	772

1543.0152

Costs	Mezz costs	Net costs
NIC Land App	1,664,333	#VALUE!
#VALUE!	Net Loan =	#VALUE!

Stamping Fee	on	one-third	of	Constr. Loan
2.50%		33%		\$ 29,400,000
\$ 245,000				



TEXTBOOK STUDENT SUITES INC.
Draft - for discussion only

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS

as at 27-Jul-17

Updated:
27-Jul-17

Item	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Notes - Est to complete		
				Per SF	Per unit	
REVENUES						
1 Suites	0	41,821,375	41,821,375	\$475.65	\$316,829	Per summary
2 Parking	0	0	0			
3 Bicycle	0	0	0		0	
4 Upgrades	0	0	0		0	Estimated per unit
5 Sundry Income	0	158,400	158,400		1,000	Est for closing adj.
6 Retail	0	3,988,095	3,988,095			Estimated valuation
7 Less: HST (net of Rebate)	0	-2,067,216	-2,067,216			
Total REVENUES	0	43,900,654	43,900,654			
COSTS						
LAND						
				SF / GFA	Units	
10 Land - Purchase	0	2,350,000	2,350,000	130,860	132	Deposit 200,000
11 Land - Appreciation	0	0	0	\$2,350,000	\$0	Land + Broker fee
12 Land - Title Fees / Transfer tax	0	44,650	44,650	1.90%		% of land purchase
13 Parkland dedication	0	47,893	47,893			2.0% of appraised land value
14 City Dev Charges - Res	0	1,692,280	1,692,280	6,663	13,325	2015 Rates inflated 2.5% 1BR 66,630 2BR 1,625,650
15 City Dev Charges - Comm	0	119,344	119,344	8,375	14.25	2015 Rates inflated 2.5%
16 Section 37	0	1,500,000	1,500,000	1,500	44	Allowance for incr. density and parking allowance
17 Realty Taxes	0	52,875	52,875	21,150	2.50	Est annual tax x 2.5 years
18 Site improvements	0	50,000	50,000			Allowance
19 Planning & traffic	0	50,000	50,000			Budget for zoning approvals
Total LAND	0	5,907,042	5,907,042			
CONSTRUCTION						
				\$145.00	130,860	- Applied to GFA 18,974,700
20 General Requirements	0	853,862	853,862	0	0	- Applied to parking spaces
21 Site Work	0	569,241	569,241	\$6.53	\$6,469	Total Construction 18,974,700
22 Concrete \Formwork\Parking garage	0	3,415,446	3,415,446	\$4.35	\$4,312	Allocation: 3.00%
23 Masonry	0	379,494	379,494	\$26.10	\$25,875	Including parking structure 18.00%
24 Metals/Balcony railings	0	379,494	379,494	\$2.90	\$2,875	2.00%
25 Carpentry	0	758,988	758,988	\$2.90	\$2,875	2.00%
26 Thermal & Moisture	0	948,735	948,735	\$5.80	\$5,750	4.00%
27 Doors & Windows	0	1,138,482	1,138,482	\$7.25	\$7,187	5.00%
28 Finishes	0	1,328,229	1,328,229	\$8.70	\$8,625	6.00%
29 Appliances \ Furniture	0	1,423,103	1,423,103	\$10.15	\$10,062	7.00%
30 Amenity	0	94,874	94,874	\$10.88	\$10,781	Includes in-suite furnishings 7.50%
31 Conveying Systems	0	379,494	379,494	\$0.73	\$719	0.50%
32 Mechanical	0	3,605,193	3,605,193	\$2.90	\$2,875	2.00%
33 Electrical	0	2,656,458	2,656,458	\$27.55	\$27,312	19.00%
34 Construction Management	0	664,115	664,115	\$20.30	\$20,125	14.00%
				\$5.08	3.50%	Estimate of % hard costs 3.50%

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PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 27-Jul-17

Updated:
27-Jul-17

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete	
35 Construction Contingency	0	379,494	379,494	\$2.90	2.50%		2.00%
Sub-total	0	18,974,700	18,974,700	145.00			100.00%
36 Soils \ Demolition	0	0	0			Included above	
37 Building permit	0	0	0	132.00	0	Included above	
38 Municipal fees	0	0	0		0	Included above	
39 Insurance / Bonding	0	0	0		0.00%	Allowance	
40 Purchaser's upgrades	0	0	0		50.00%	Est at 50% of revenues	
Total CONSTRUCTION	0	18,974,700	18,974,700	\$145.00			
DESIGN							
50 Architect	0	379,494	379,494	18,974,700	132	Units	
51 Structural Engineer	0	75,899	75,899		2.00%	% of hard costs	
52 Mechanical & Electrical	0	94,874	94,874		0.40%	"	
53 Landscape Architect	0	50,000	50,000		0.50%	"	
54 Site Services \ Civil Eng.	0	35,000	35,000		\$50,000	Allowance	
55 Interior Designer	0	52,800	52,800		\$35,000	Allowance	
56 Cost planning	0	15,000	15,000		\$400		
57 Inspection & Site Testing	0	49,500	49,500		\$15,000	Allow for take off / CM Contract	
58 Code consultant	0	15,000	15,000		\$375	Bulletin 19	
59 Soils \ Geotech \ Environmental	0	25,000	25,000		\$15,000	Allowance	
60 Acoustic consultant	0	10,000	10,000		\$25,000		
61 Sprinkler consultant	0	10,000	10,000		\$10,000	Report	
62 Vibration consultant	0	10,000	10,000	4	\$10,000	Report	
63 Other consultants \ Studies	0	25,000	25,000		\$2,500	Monthly monitoring	
64 Printing & disbursements	0	25,000	25,000		\$25,000	Misc.	
Total DESIGN	0	872,566	872,566				
LEGAL & ADMINISTRATION							
65 Legal Fees	0	290,400	290,400		\$2,200	Closing + Incorp/incidentals	
66 Accounting	0	22,500	22,500	3	\$7,500	Annual financials	
67 Surveyor	0	52,800	52,800		\$400	Per unit estimate	
68 Misc. Development	0	25,000	25,000			Out of pockets	
69 After sales / Performance audit	0	40,000	40,000		\$40,000	Allowance for after sales/Post registr	
70 Development Management	0	1,500,000	1,500,000	30,000,000	5.00%	% of total costs	
Total LEGAL & ADMINISTRATION	0	1,930,700	1,930,700				0
SALES & MARKETING							
71 Marketing & Advertising	0	156,500	156,500		\$1,200	Allowance per unit	

TEXTBOOK STUDENT SUITES INC.
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PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 27-Jul-17

Updated:
27-Jul-17

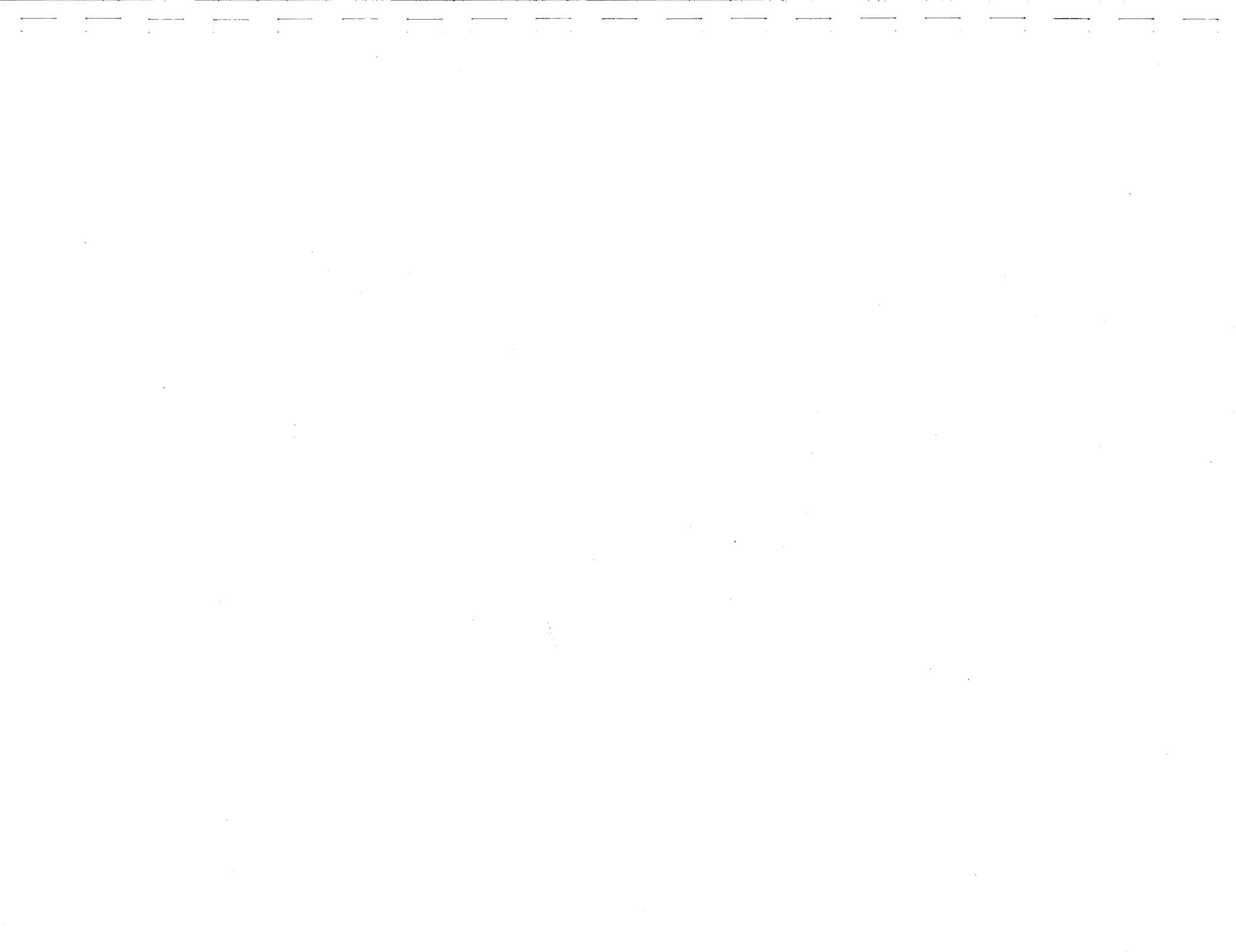
	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete
72 Sales Centre - Construction	0	0	0	1,000	\$0.00	Allowance for modifications
73 Sales Office - Operations	0	30,000	30,000	6	\$5,000	Staff & overhead for one year
74 Commissions - Lead Broker	0	596,312	596,312	1.50%	\$39,754,159	Revenue net of HST x
75 Commissions - Outside Broker	0	1,272,133	1,272,133	4.00%	80.00%	Allowance for 80% co-broke deals
76 Incentives - Rental Guarantee	0	100,000	100,000	50,000	\$50,000	Rental shortfall + Prop mngmnt
77 Sales Consultant	0	0	0		\$0.00	
78 Retail - Tenant Inducements	0	209,375	209,375	8,375	\$25.00	Allowance
79 Retail - Commissions	0	37,688	37,688	18.00%	209,375	5-year deal (6% + (4 x 3%))
Total SALES & MARKETING	0	2,402,008	2,402,008			0
FINANCE						
80 Arrangement fee	0	380,000	380,000	2.00%	19,000,000	Lender \ broker fee (NIC Mezz cost)
81 Service Charges & misc.	0	5,400	5,400	150	36	Montly bank charges
82 Appraisal	0	40,000	40,000	2	20,000	Allowance for 2 Appraisals
83 Tarion enrolment	0	90,800	90,800	132	\$650.00	Enrolment fees + \$5,000 Reg.
84 Deposit Insurance Fees	0	111,415	111,415	2.5	1.00%	Tarion = 2 yrs / ECDI = 1 yr
85 Letter of Credit Fees	0	7,500	7,500	1.50%	2	Allowance for \$250,000 K of LC to City
86 Project Monitor	0	97,500	97,500	15	6,500	Bank's monitor during construction
87 Mezzanine Financing / Interest (Fees)	0	2,528,000	2,528,000	6,400,000	10.00%	Int rate + 4% bonus + 10% (fee + legals)
88 Construction Loan Interest	0	677,999	677,999		5.00%	Estimate as per cash flow
Total FINANCE	0	3,938,614	3,938,614			0
INTERIM OPERATIONS						
89 Warranty Reserve	0	0	0			
90 Operating costs	0	133,651	133,651	\$253.13	33,413	Avg. CAM per month x # Months
91 Operating taxes	0	181,226	181,226	\$343.23	45,306	Avg. Tax per month x # Months
92 Occupancy income	0	-760,973	-760,973	-\$1,441.23	-190,243	Avg. Int. Occ rent per month x Months
93 Interest Earned on Deposits	0	0	0		0	Assumed = interest payable
Total INTERIM OPERATIONS	0	-446,096	-446,096			0
CONTINGENCIES						
94 General	0	150,000	150,000			Allowance
Total CONTINGENCIES	0	150,000	150,000	0	0	0
Total COSTS	0	33,729,534	33,729,534			
Total PROFIT			10,171,119			

Sale:	Constr Start	Closing
149,078	149,078	298,156
318,033	318,033	636,067
467,111	467,111	934,223
3,539	3,539	7,077

Costs		
NIC Land App	Mezz costs	Net costs
33,729,534	2,528,000	31,201,534
	Net Loan =	15,984,375

Total	Tarion 2 Yr	Excess 1YR
6,273,206	2,640,000	3,633,206
	66,000	45,415

3,205,999
1,840,963



PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 21-Jul-17

Updated:
21-Jul-17

Item	REVENUES			Per SF	Per unit	Notes - Est to complete
	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			
1 Suites		86,994,000	86,994,000	\$483.78	\$292,909	Per summary
2 Parking		0	0			
3 Bicycle		0	0		0	
4 Upgrades		0	0		0	Estimated per unit
5 Sundry Income	0	356,400	356,400		1,000	Est for closing adj.
6 Retail	0	18,181,236	18,181,236			Estimated valuation
7 Less: HST (net of Rebate)		-4,300,084	-4,300,084			
Total REVENUES	0	101,231,553	101,231,553			
				SF / GFA	Units	
				272,480	297	
				\$9,340,000	\$186,000	Land + Broker fee + extension fee
LAND						
10 Land - Purchase (inc. broker fee)	0	9,526,000	9,526,000			
11 Land - Appreciation		0	0			
12 Land - Title Fees / Transfer tax	0	177,460	177,460	1.90%		% of land purchase
13 Parkland dedication	0	291,104	291,104			2.0% of appraised land value
14 City Dev Charges - Res	0	3,322,123	3,322,123	7,799	11,238	2016 Rates inflated 2%
15 City Dev Charges - Comm	0	62,981	62,981	13,680	16.25	2016 Rates inflated 2% minus DC Credit
16 Section 37	0	750,000	750,000	1,500	209	Allowance for incr. density and parking allowance
17 Realty Taxes	0	185,757	185,757	7,145	26.00	Est annual tax x 2.5 years
18 Site Improvements	0	0	0			Allowance
19 Planning & traffic	0	200,000	200,000			Budget for zoning approvals
Total LAND	0	14,515,424	14,515,424			
				\$175.00	272,480	- Applied to GFA
				0	0	- Applied to parking spaces
CONSTRUCTION						
20 General Requirements	0	2,145,780	2,145,780	\$7.88	\$7,225	Total Construction
21 Site Work	0	1,430,520	1,430,520	\$5.25	\$4,817	
22 Concrete \Formwork\Parking garage	0	8,583,120	8,583,120	\$31.50	\$28,899	Including parking structure
23 Masonry	0	953,680	953,680	\$3.50	\$3,211	
24 Metals/Balcony railings	0	953,680	953,680	\$3.50	\$3,211	
25 Carpentry	0	1,907,360	1,907,360	\$7.00	\$6,422	
26 Thermal & Moisture	0	2,384,200	2,384,200	\$8.75	\$8,028	
27 Doors & Windows	0	2,861,040	2,861,040	\$10.50	\$9,633	
28 Finishes	0	3,337,880	3,337,880	\$12.25	\$11,239	
29 Appliances \ Furniture	0	3,576,300	3,576,300	\$13.13	\$12,041	includes in-suite furnishings
30 Amenity	0	238,420	238,420	\$0.88	\$803	
31 Conveying Systems	0	953,680	953,680	\$3.50	\$3,211	
32 Mechanical	0	9,059,960	9,059,960	\$33.25	\$30,505	
33 Electrical	0	6,675,760	6,675,760	\$24.50	\$22,477	
34 Construction Management	0	1,668,940	1,668,940	\$6.13	3.50%	Estimate of % hard costs
35 Construction Contingency	0	953,680	953,680	\$3.50	2.50%	
Sub-total	0	47,684,000	47,684,000	175.00		
36 Soils \ Demolition	0	80,000	80,000	10,000	8	\$8 psf x 10 000 sf existing building
37 Building permit	0	30,000	0	297.00	0	
38 Municipal fees	0	0	0		0	Included above
39 Insurance / Bonding	0	0	0		0.00%	Allowance
40 Purchaser's upgrades	0	0	0		50.00%	Est at 50% of revenues
Total CONSTRUCTION	0	47,794,000	47,764,000	\$175.29		
					297	Units
DESIGN						
50 Architect	0	1,433,820	1,433,820	47,794,000	3.00%	% of hard costs
51 Structural Engineer	0	191,176	191,176		0.40%	"
52 Mechanical & Electrical	0	238,970	238,970		0.50%	"
53 Landscape Architect	0	50,000	50,000		\$50,000	Allowance
54 Site Services \ Civil Eng.	0	35,000	35,000		\$35,000	Allowance

Residential Development Charges

1 BR 2 BR

\$ 8,469	\$ 12,204	School board Amount/Unit
81	216	City Amount / unit
685,994	2,636,129	# of units
		Total Charge

Development Charge Credit

10,000	Size of existing Shoppers
15.93	DC Rate psf
159,300	DC Credit

47,684,000

47,684,000	Allocation:
	4.50%
	3.00%
	18.00%
	2.00%
	2.00%
	4.00%
	5.00%
	6.00%
	7.00%
	7.50%
	0.50%
	2.00%
	19.00%
	14.00%
	3.50%
	2.00%
	100.00%

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 21-Jul-17

Updated:
21-Jul-17

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast		Notes - Est to complete
55 Interior Designer	0	118,800	118,800		\$400
56 Cost planning	0	15,000	15,000		\$15,000 Allow for take off / CM Contract
57 Inspection & Site Testing	0	111,375	111,375		\$375 Bulletin 19
58 Code consultant	0	25,000	25,000		\$25,000 Allowance
59 Soils \ Geotech \ Environmental	0	40,000	40,000		\$40,000
60 Acoustic consultant	0	10,000	10,000		\$10,000 Report
61 Sprinkler consultant	0	10,000	10,000		\$10,000 Report
62 Vibration consultant	0	10,000	10,000	4	\$2,500 Monthly monitoring
63 Other consultants \ Studies	0	50,000	50,000		\$50,000 Misc.
64 Printing & disbursements	0	50,000	50,000		\$50,000 Allowance
Total DESIGN	0	2,389,141	2,389,141		
LEGAL & ADMINISTRATION					
65 Legal Fees	0	594,000	594,000		\$2,000 Closing + Incorp/incidentals
66 Accounting	0	22,500	22,500	3	\$7,500 Annual financials
67 Surveyor	0	118,800	118,800		\$400 Per unit estimate
68 Misc. Development	0	25,000	25,000		Out of pockets
69 After sales / Performance audit	0	40,000	40,000		\$40,000 Allowance for after sales/Post registr
70 Development Management	0	3,750,000	3,750,000	75,000,000	5.00% % of total costs
Total LEGAL & ADMINISTRATION	0	4,550,300	4,550,300		0
SALES & MARKETING					
71 Marketing & Advertising	0	354,500	354,500		\$1,200 Allowance per unit
72 Sales Centre - Construction	0	0	0	1,000	\$0.00 Allowance for modifications
73 Sales Office - Operations	0	30,000	30,000	6	\$5,000 Staff & overhead for one year
74 Commissions - Lead Broker	0	1,240,409	1,240,409	1.50%	\$82,693,918 Revenue net of HST x
75 Commissions - Outside Broker	0	2,646,205	2,646,205	4.00%	80.00% Allowance for 80% co-broke deals
76 Incentives - Rental Guarantee	0	100,000	100,000	50,000	\$50,000 Rental shortfall + Prop mngmnt
77 Sales Consultant	0	0	0		\$0.00
78 Retail - Tenant Inducements	0	560,880	560,880	13,680	\$41.00 Allowance
79 Retail - Commissions	0	100,958	100,958	18.00%	560,880 5-year deal (6% + (4 x 3%))
Total SALES & MARKETING	0	5,032,952	5,032,952		0
FINANCE					
80 Arrangement fee	0	1,195,000	950,000	2.00%	47,500,000 Lender \ broker fee (NIC Mezz cost)
81 Service Charges & misc.	0	5,400	5,400	150	36 Monthly bank charges
82 Appraisal	0	40,000	40,000	2	20,000 Allowance for 2 Appraisals
83 Tarion enrolment	0	198,050	198,050	297	\$650.00 Enrolment fees + \$5,000 Reg.
84 Deposit Insurance Fees	0	199,263	199,263	2.5	1.00% Tarion = 2 yrs / ECDI = 1 yr
85 Letter of Credit Fees	0	7,500	7,500	1.50%	2 Allowance for \$250,000 K of LC to City
86 Project Monitor	0	97,500	97,500	15	6,500 Bank's monitor during construction
87 Mezzanine Financing / Interest (Fees)	0	0	0		0.00% Int rate + 4% bonus + 10% (fee + legals)
88 Construction Loan Interest	0	2,657,252	2,657,252		5.00% Estimate as per cash flow
Total FINANCE	0	4,399,965	4,154,965		0
INTERIM OPERATIONS					
89 Warranty Reserve	0	0	0		1.0 Estimated # of months for Int. occ.
90 Operating costs	0	68,335	68,335	\$230.08	68,335 Avg. CAM per month x # Months
91 Operating taxes	0	94,244	94,244	\$317.32	94,244 Avg. Tax per month x # Months
92 Occupancy Income	0	-394,562	-394,562	-\$1,328.49	-394,562 Avg. Int. Occ rent per month x Months
93 Interest Earned on Deposits	0	0	0		0 Assumed = interest payable
Total INTERIM OPERATIONS	0	-231,984	-231,984		0
OTHER CONTINGENCIES					
94 Soft Cost Contingencies	0	200,000	150,000		Allowance

Sale:	Constr Start	Closing	
310,102	310,102	620,204	1,240,409
661,551	661,551	1,323,103	2,646,205
971,654	971,654	1,943,307	
3,272	3,272	6,543	

Costs		
NIC Land App	Mezz costs	Net costs
78,324,799	0	78,324,799
Net Loan =		55,774,167

Total	Tarion 2 Yr	Excess 1YR
10,001,000	5,940,000	4,061,000
	148,500	50,763

2,657,252
1,840,963

TEXTBOOK STUDENT SUITES INC.
Draft - for discussion only

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 21-Jul-17

Updated:
21-Jul-17

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Notes - Est to complete
Total COSTS	0	78,649,799	78,324,799	
Total PROFIT			22,906,754	



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
50																										
51																										
52																										To Date:
53																										1,098,748
54																										3,425,000
55																										
56																										
57																										4,523,748
58																										
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TEXTBOOK - ROSS PARK

Deposit calculation			
	Number	Deposit	Total
Unit Type	24	40,600	974,400
Bach	20	51,870	1,037,400
1 BR + D	106	60,733	6,437,719
2 Bed 2 Bath (Int)	78	65,970	5,145,660
2 BR / 2 Bath	228	\$ 59,627.98	\$ 13,595,179
Total			

	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	
1																									
2																									
3	PROFORMA SUMMARY																								
4	Cash flow - commitment basis																								
5						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
6						01-Mar-15	01-Apr-15	01-May-15	01-Jun-15	01-Jul-15	01-Aug-15	01-Sep-15	01-Oct-15	01-Nov-15	01-Dec-15	01-Jan-16	01-Feb-16	01-Mar-16	01-Apr-16	01-May-16	01-Jun-16	01-Jul-16	01-Aug-16	01-Sep-16	
7						Sales																			
8						Start																			
9						15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	
10						15	30	46	61	76	91	106	122	137	152	167	182	198	213	228	228	228	228	228	
11	REVENUES / CASH RECEIPTS:																								
12						226,586	226,586	453,173	453,173	453,173	679,759	679,759	679,759	679,759	679,759	679,759	679,759	679,759	679,759	679,759	453,173	453,173	453,173	226,586	
13						-226,586	-226,586	-453,173	-453,173	-453,173	-679,759	-679,759	-679,759	-679,759	-679,759	-679,759	-679,759	-679,759	-679,759	-679,759	-453,173	-453,173	-453,173	-226,586	
14																									
15																									
16																									
17						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18																									
19						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
20						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
21																									
22	COSTS / CASH PAYMENTS:																								
23		Amount	Start	Finish	Months																				
24		\$1,318,275			20.00																				
25		\$878,850			4.00																				
26		\$6,299,100			9.00																				
27		\$585,900			10.00																				
28		\$585,900			10.00																				
29		\$1,171,800			10.00																				
30		\$1,464,750			10.00																				
31		\$1,757,700			10.00																				
32		\$2,050,650			10.00																				
33		\$2,490,075			4.00																				
34		\$146,475			4.00																				
35		\$585,900			6.00																				
36		\$5,566,050			8.00																				
37		\$3,808,360			6.00																				
38		\$147,920			1.00																				
39		\$1,025,325			28.00																				
40		\$1,000,000			26.00																				
41		1,244,260				12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	12,443	62,213	62,213	62,213	55,929	165,901	165,901	165,901	62,213	62,213	
42		3,188,000																							
43		3,508,672				25,000	25,000	25,000	25,613	25,613	25,613	25,613	25,613	25,613	25,613	25,613	25,613	25,613	8,674	258,938	8,674	8,674	8,674	8,674	
44		3,790,150																			106,925	18,570	45,112	45,112	
45		-725,076																							
46		200,000			28																7,692	7,692	7,692	7,692	
47		11,670,030				200,000			3,046,547	5,800	500,000	5,800	5,800	5,800	5,800	5,800	5,800	30,800	30,800	3,381,073	30,800	5,800	30,800		
48						237,443	37,443	37,443	38,056	3,083,602	43,856	538,056	43,856	43,856	43,856	93,626	93,626	93,626	95,408	963,332	8,680,266	231,838	129,491	92,492	
49						Deposit			Close (1)	Deposit											VTB				
50						237,443	37,443	37,443	38,056	3,083,602	43,856	538,056	43,856	43,856	43,856	93,626	93,626	93,626	95,408	963,332	8,680,266	231,838	129,491	92,492	

	AA	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ		
PROFORMA SUMMARY																															
1	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48		
2	01-Oct-16	01-Nov-16	01-Dec-16	01-Jan-17	01-Feb-17	01-Mar-17	01-Apr-17	01-May-17	01-Jun-17	01-Jul-17	01-Aug-17	01-Sep-17	01-Oct-17	01-Nov-17	01-Dec-17	01-Jan-18	01-Feb-18	01-Mar-18	01-Apr-18	01-May-18	01-Jun-18	01-Jul-18	01-Aug-18	01-Sep-18	01-Oct-18	01-Nov-18	01-Dec-18	01-Jan-19	01-Feb-19		
3	Construction Start																								Substantial Completion		Title Closing		GRAND TOTAL	Full occupancy Months	
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4.00	
5	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228		
6	REVENUES / CASH RECEIPTS:																														
7	226,586	226,586	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	226,586	226,586	7,443,727	300,654	314,230	260,828	385,118	385,973	437,991	439,257	440,694	268,910	681,219	682,101	832,972	835,210	714,685	717,425	49,731	3,398,795	0	0	0	0	0	0	0	0	0	0	0
9	226,586	226,586	7,443,727	300,654	314,230	260,828	385,118	385,973	437,991	439,257	440,694	268,910	681,219	682,101	832,972	835,210	714,685	717,425	49,731	3,398,795	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	0.6%	1.6%	3.5%	3.5%	3.7%	3.0%	4.6%	4.6%	5.3%	5.3%	5.3%	3.0%	8.4%	8.4%	10.3%	10.3%	8.7%	8.7%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
20	0.6%	2.3%	5.8%	9.3%	13.0%	16.0%	20.6%	25.2%	30.5%	35.8%	41.1%	44.1%	52.4%	60.8%	71.2%	81.5%	90.2%	98.8%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
21	COSTS / CASH PAYMENTS:																														
22	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	
23	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	65,914	
24	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713	219,713
25	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900	699,900
26	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590	58,590
27	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180	117,180
28	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475	146,475
29	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770	175,770
30	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065	205,065
31	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519	622,519
32	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619	36,619
33	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650	97,650
34	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675	927,675
35	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725	634,725
36	31,920	116,000																													
37	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266	51,266
38	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
39	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909	144,909
40	45,112	45,112	761,609	45,112	68,162	70,631	75,188	79,138	84,742	80,380	96,872	103,004	109,356	113,426																	

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS

as at 21-Jul-17

Updated:
21-Jul-17

Item	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Notes - Est to complete	
				Per SF	Per unit
REVENUES					
1 Suites	184,900	67,975,896	68,160,796	\$464.41	\$157,780
2 Parking	0	555,000	555,000		
3 Bicycle	0	0	0		0
4 Upgrades	0	0	0		0
5 Sundry Income	0	273,600	273,600		1,000
6 Retail	0	1,028,571	1,028,571		
7 Less: HST (net of Rebate)	-9,140	-3,385,426	-3,394,566		
Total REVENUES	175,760	66,447,641	66,623,402		

Item	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Notes - Est to complete	
				SF / GFA	Units
COSTS					
LAND					
10 Land - Purchase	0	7,000,000	7,000,000	\$7,000,000	228
11 Land - Appreciation	0	0	0		
12 Land - Title Fees / Transfer tax	0	136,620	136,620	1.95%	
13 Parkland dedication	0	142,732	142,732		
14 City Dev Charges - Res	0	3,746,432	3,746,432	13,412	18,099
15 City Dev Charges - Comm	0	233,246	233,246	1,800	21.06
16 Section 37	0	108,000	108,000		108
17 Realty Taxes	0	203,000	203,000	70,000	2.90
18 Site improvements	0	0	0		
19 Planning & traffic	0	100,000	100,000		
Total LAND	0	11,670,030	11,670,030		

Item	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Notes - Est to complete	
				Per GFA	Allocation:
CONSTRUCTION					
20 General Requirements	0	1,318,275	1,318,275	\$6.75	\$5,782
21 Site Work	0	878,850	878,850	\$4.50	\$3,855
22 Concrete \Formwork\Parking garage	0	6,299,100	6,299,100	\$32.25	\$27,628
23 Masonry	0	585,900	585,900	\$3.00	\$2,570
24 Metals/Balcony railings	0	585,900	585,900	\$3.00	\$2,570
25 Carpentry	0	1,171,800	1,171,800	\$6.00	\$5,139
26 Thermal & Moisture	0	1,464,750	1,464,750	\$7.50	\$6,424
27 Doors & Windows	0	1,757,700	1,757,700	\$9.00	\$7,709
28 Finishes	0	2,050,650	2,050,650	\$10.50	\$8,994
29 Appliances \ Furniture	0	2,490,075	2,490,075	\$12.75	\$10,921
30 Amenity	0	146,475	146,475	\$0.75	\$642
31 Conveying Systems	0	585,900	585,900	\$3.00	\$2,570
32 Mechanical	0	5,566,050	5,566,050	\$28.50	\$24,413
33 Electrical	0	3,808,350	3,808,350	\$19.50	\$16,703
34 Construction Management	0	1,025,325	1,025,325	\$5.25	3.50%
35 Construction Contingency	0	1,000,000	1,000,000	\$5.12	2.50%
Sub-total	0	30,735,100	30,735,100	157.37	100.00%

36 Soils \ Demolition	0	96,000	96,000		12,000 SF * \$8/SF
37 Building permit	0	31,920	31,920	228.00	140 Estimate\
38 Municipal fees	0	0	0		0 Included above
39 Insurance / Bonding	0	20,000	20,000		0.00% Estimate\
40 Purchaser's upgrades	0	0	0		50.00% Est at 50% of revenue

Deposit			
200,000			
	1BR	2BR	Rebate
	44	184	6
	590,134	3,330,299	174,000
	226,800	6,446	

29,000

- Applied to GFA	29,295,000
- Parking Structure Fixed Est @75 spc	1,026,000
Total Construction	30,321,000
	4.50%
	3.00%
	18.00%
	2.00%
	2.00%
	4.00%
	5.00%
	6.00%
	7.00%
	8.50%
	0.50%
	2.00%
	19.00%
	13.00%
	3.50%
	2.00%

TEXTBOOK ROSS PARK INC.
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PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 21-Jul-17

Updated:
21-Jul-17

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast		Notes - Est to complete
Total CONSTRUCTION	0	30,883,020	30,883,020	\$158.13	
DESIGN					
50 Architect	0	451,440	451,440	\$1,800	228 Units Per Unit + 10% (Concepts in place)
51 Structural Engineer	0	200,640	200,640	\$800	"
52 Mechanical & Electrical	0	150,480	150,480	\$600	"
53 Landscape Architect	0	50,000	50,000	\$50,000	Allowance
54 Site Services \ Civil Eng.	0	35,000	35,000	\$35,000	Allowance
55 Interior Designer	0	91,200	91,200	\$400	
56 Cost planning	0	15,000	15,000	\$15,000	Allow for take off / CM Contract
57 Inspection & Site Testing	0	85,500	85,500	\$375	Bulletin 19
58 Code consultant	0	15,000	15,000	\$15,000	Allowance
59 Soils \ Geotech \ Environmental	0	20,000	20,000	\$20,000	
60 Acoustic consultant	0	10,000	10,000	\$10,000	Report
61 Sprinkler consultant	0	10,000	10,000	\$10,000	Report
62 Vibration consultant	0	10,000	10,000	\$2,500	4 Monthly monitoring
63 Other consultants \ Studies	0	50,000	50,000	\$50,000	Misc.
64 Printing & disbursements	0	50,000	50,000	\$50,000	Allowance
Total DESIGN	0	1,244,260	1,244,260		
LEGAL & ADMINISTRATION					
65 Legal Fees	0	456,000	456,000	\$2,000	Closing + Incorp/incidentals
66 Accounting	0	25,000	25,000	\$25,000	Annual financials
67 Surveyor	0	57,000	57,000	\$250	Per unit estimate
68 Misc. Development	0	25,000	25,000		Out of pockets
69 After sales / Performance audit	0	75,000	75,000	\$75,000	Allowance for after sales/Post registr
70 Development Management	0	2,550,000	2,550,000	51,000,000 5.00%	% of project costs
Total LEGAL & ADMINISTRATION	0	3,188,000	3,188,000		0
SALES & MARKETING					
71 Marketing & Advertising	0	271,700	271,700	\$1,200	Allowance per unit
72 Sales Centre - Construction	0	75,000	75,000	\$25.00	Est 3,000 sf sales centre
73 Sales Office - Operations	0	60,000	60,000	\$5,000	12 Staff & overhead for one year
74 Commissions - Lead Broker	0	968,857	968,857	1.50%	\$64,590,470 Revenue net of HST x
75 Commissions - Outside Broker	0	2,066,895	2,066,895	4.00%	80.00% Allowance for 80% co-broke deals
76 Incentives - Rental Guarantee	0	0	0	0	\$0 Rental shortfall + Prop mngmnt
77 Sales Consultant	0	0	0	\$0.00	
78 Retail - Tenant Inducements	0	54,000	54,000	1,800	\$30.00 Allowance
79 Retail - Commissions	0	12,420	12,420	23.00%	54,000 10-year deal (5% + (9 x 2%))
Total SALES & MARKETING	0	3,508,872	3,508,872		0
FINANCE					
80 Arrangement fee	0	680,000	680,000	2.00%	34,000,000 Lender \ broker fee (NIC Mezz cost)
81 Service Charges & misc.	0	5,400	5,400	150	36 Montly bank charges
82 Appraisal	0	40,000	40,000	2	20,000 Allowance for 2 Appraisals
83 Tarion enrolment	0	146,840	146,840		Enrolment fees + \$5,000 Reg.
84 Deposit Insurance Fees	0	161,655	161,655	2	1.00% Tarion = 2 yrs / ECDI = 1 yr

Sale:	Constr Start	Closing
242,214	242,214	484,429
516,724	516,724	1,033,448
758,938	758,938	1,517,876
3,329	3,329	6,657

Costs		
NIC Land App	Mezz costs	Net costs
53,809,256	342,500	53,466,756
	Net Loan =	36,399,334

Total	Tarion 2 Yr	Excess 1YR
10,196,384	4,560,000	5,636,384

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS

as at 21-Jul-17

Updated:
21-Jul-17

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete			
85 Letter of Credit Fees	0	50,000	50,000	1.50%	2	2.5% Interest on KingSett Facility 3	91,200	70,455	
86 Project Monitor	0	97,500	97,500	15	6,500	Bank's monitor during construction			
87 Mezzanine Financing / Interest (Fees)	0	0				Calculated Separately			
88 Land Loan Interest	0	159,250	159,250			Estimate as per cash flow			
89 Construction Loan Interest	0	2,449,506	2,449,506		5.25%	Estimate as per cash flow			
Total FINANCE	0	3,790,150	3,790,150					0	
INTERIM OPERATIONS									
90 Warranty Reserve	0	0	0		4.0	Estimated # of months for Int. occ.			
91 Operating costs	0	176,649	176,649	\$193.69	44,162	Avg. CAM per month x # Months			
92 Operating taxes	0	309,743	309,743	\$339.63	77,436	Avg. Tax per month x # Months			
93 Occupancy income	0	-1,211,468	-1,211,468	-\$1,328.36	-302,867	Avg. Int. Occ rent per month x Months			
94 Interest Earned on Deposits	0	0	0		0	Assumed = interest payable			
Total INTERIM OPERATIONS	0	-725,076	-725,076					0	
CONTINGENCIES									
95 General	0	200,000	250,000			As per initial KS term sheet			
Total CONTINGENCIES	0	200,000	250,000	0	0			0	
Total COSTS	0	58,759,256	58,809,256						
Total PROFIT			12,814,145						

MEZZ EQUITY COSTS

Mezzanine interest	0	0	0	3,425,000	8.00%	Avg Int.rate + 4% bonus		
Equity fees and legals	0	342,500	342,500	10.00%	342,500	(1/2) of 16% + 4% legals		
Total EQUITY COSTS	0	342,500	342,500	3,425,000	342,500			0

[Redacted]

[Redacted]



PRO FORMA SUMMARY	M & E Systems																				Total Deposits Used Deposits		GRAND TOTAL							
	Fabrication					Erection					Envelope					Finishes					Commissioning			Substantial Completion		Occupancies		Title Closing		
Cash flow commitment base	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	
	15-Nov-16	16-Dec-16	16-Jan-17	15-Feb-17	16-Mar-17	16-Apr-17	16-May-17	15-Jun-17	15-Jul-17	15-Aug-17	15-Sep-17	15-Oct-17	15-Nov-17	15-Dec-17	15-Jan-18	15-Feb-18	15-Mar-18	15-Apr-18	15-May-18	15-Jun-18	15-Jul-18	15-Aug-18	15-Sep-18	15-Oct-18	15-Nov-18	15-Dec-18	15-Jan-19	15-Feb-19	15-Mar-19	
Unit Sales / Monthly	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unit Sales / Total	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	204	
Interim Operations Revenues																														
REVENUES / CASH RECEIPTS																														
Deposits received	1,125,349	1,576,014	562,676	562,676	1,013,340	189,293	189,884	190,475	191,069	440,104	588,032	588,907	726,039	727,882	700,672	373,762	376,952	116,624	226,234	227,054	257,164	134,605	1,781,803	1,819,315						
Deposits (in Trust) / Released	698,428	1,264,683	431,607	430,955	870,159																									
Purchases / Price - balance																														
Real - Sale value																														
Upgrades / Surety																														
Less: Net HST																														
Total Cash Receipts	126,921	311,331	139,160	131,679	349,181	189,293	189,884	190,475	191,069	440,104	588,032	588,907	726,039	727,882	700,672	373,762	376,952	116,624	226,234	227,054	257,164	134,605	1,781,803	1,819,315						
Construction % - Monthly	1.6%	1.6%	1.6%	1.6%	2.2%	2.2%	2.2%	2.2%	2.2%	8.1%	8.6%	8.6%	10.7%	10.7%	10.3%	6.0%	6.0%	2.5%	2.5%	2.5%	3.0%	0.8%	0.2%	0.0%	0.0%					
Construction % - Total	5.3%	6.9%	8.6%	10.2%	14.4%	14.7%	16.9%	19.1%	21.4%	25.5%	38.0%	46.6%	57.4%	68.1%	78.4%	83.4%	88.3%	90.9%	93.4%	96.0%	99.0%	99.8%	100.0%	100.0%	100.0%					
COSTS / CASH PAYMENTS																														
General Requirements	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360	51,360
Site Work / Connections																														
Concrete/Formwork/Parking	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380	328,380
Masonry																														
Metals																														
Carpentry																														
Thermal & Moisture Protection																														
Doors & Windows																														
Finishes																														
Appliances / Furnishings																														
Amenity, Specialties																														
Conveying Systems																														
Mechanical																														
Electrical																														
Upgrades & other																														
Construction Management	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	29,583	
Construction Contingency	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	18,722	
Design & Consulting	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	61,920	
Legal & Administration	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	
Sales & Marketing	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	
Interest & Finance	48,927	55,548	57,927	61,819	63,468	65,104	66,984	69,160	71,760	74,834	78,516	82,863	87,933	93,785	99,478	106,064	113,602	122,140	131,728	142,416	154,256	167,304	181,616	197,248	214,256	232,688	252,608	274,128	297,312	
Offsetting Income																														
Soft cost contingency	7,800	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071		
Land Costs / Valuation	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	
Total cash payments	607,893	642,440	614,266	618,148	771,488	773,142	779,798	788,474	836,088	840,719	846,323	836,105	822,476	800,268	750,850	680,142	625,730	589,085	562,000	550,884	551,264	552,000	552,000	552,000	552,000	552,000	552,000	552,000	552,000	
CASH REQUIRED	570,972	331,109	483,906	486,469	428,318	583,349	587,619	588,322	591,103	1,274,581	1,052,688	1,066,313	2,289,064	2,244,594	2,207,617	1,167,189	1,174,180	805,214	699,496	702,031	794,836	416,280								
FINANCING																														
Equity advance																														
Mezzanine Mortgage advance																														
Construction advance	570,972	933,883	393,503	395,038	1,029,544	567,878	569,652	571,426	573,207	1,320,312	1,764,095	1,769,721	2,178,116	2,183,647	2,205,910	1,167,189	1,174,180	805,214	699,496	702,031	794,836	416,280								
Total FINANCING	570,972	933,883	393,503	395,038	1,029,544	567,878	569,652	571,426	573,207	1,320,312	1,764,095	1,769,721	2,178,116	2,183,647	2,205,910	1,167,189	1,174,180	805,214	699,496	702,031	794,836	416,280								
Closing bank balance	0	802,884	513,299	421,889	1,023,097	1,007,126	989,230	971,234	953,438	898,785	816,193	723,601	631,009	538,417	445,825	353,233	260,641	168,049	75,457	0	0	0	0	0	0	0	0	0	0	
1) EQUITY FINANCING																														
Opening Equity	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	
Current Equity Repaid																														
Cumulative Equity Balance	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	624,000	
2) CONSTRUCTION FINANCING																														
Opening Loan Balance	10,597,728	11,158,700	12,092,693	12,486,198	12,881,234	13,810,778	14,478,656	15,046,534	15,614,412	16,182,290	17,513,263	18,277,348	19,041,433	19,805,518	20,569,603	21,333,688	22,097,773	22,861,858	23,625,943	24,390,028	25,154,113</									

TEXTBOOK STUDENT SUITES INC.
Draft - for discussion only

PRO FORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
774 Bronson "Dow's Lake"

Updated:
21-Jul-17

REVENUES

- 1 Suites
- 2 Parking
- 3 Bicycle
- 4 Upgrades
- 5 Sundry Income
- 6 Retail
- 7 Less: HST (net of Rebate)

Total REVENUES

COSTS

LAND

- 10 Land - Purchase
- 11 Commission
- 12 Land - Title Fees / Transfer tax
- 13 Parkland dedication
- 14 City Dev Charges - Res
- 15 City Dev Charges - Comm
- 16 Section 37
- 17 Realty Taxes
- 18 Site improvements

Total LAND

CONSTRUCTION

- 20 General Requirements
- 21 Site Work
- 22 Concrete \Formwork\Parking garage
- 23 Masonry
- 24 Metals/Balcony railings
- 25 Carpentry
- 26 Thermal & Moisture
- 27 Doors & Windows
- 28 Finishes
- 29 Appliances \ Furniture
- 30 Amenity
- 31 Conveying Systems

(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast	Per SF	Per unit	Notes - Est to complete
#REF!	64,520,024	#REF!	\$543.78	#REF!	Per summary Estimated per unit Est for closing adj. Estimated valuation
#REF!	500,000	#REF!		#REF!	
#REF!	0	#REF!		#REF!	
#REF!	0	#REF!		#REF!	
0	206,400	206,400		1,000	
0	928,023	928,023			
#REF!	-3,295,388	#REF!			
#REF!	62,859,058	#REF!			
			SF / GFA	Units	
			149,410	172	
0	10,250,000	10,250,000	\$10,250,000	\$0	Land + Broker fee
0	355,000	355,000			Commission
0	205,000	205,000	2.00%		% of land purchase
0	313,650	313,650			2.0% of appraised land value
0	2,580,192	2,580,192	9,876	13,411	2015 Rates inflated 1.5%
0	33,489	33,489	1,624.04	20.62	2015 Rates inflated 1.5%
0	100,000	100,000			Allowance for incr. density and parking allowance
0	230,625	230,625	92,250	2.50	Est annual tax x 2.5 years
0	100,000	100,000			Allowance
0					
	14,167,956	14,167,956			
			\$ 165	149,410	- Applied to GFA
			\$ 50,000	22	- Applied to parking spaces
					24,652,599
					1,145,000
					Allocation:
					5.00%
					3.00%
					18.00%
					2.00%
					2.00%
					4.00%
					5.00%
					6.00%
					6.50%
					7.50%
					0.50%
					2.00%

	City	School
	36	136
	172	
	1BR	2BR
		2,330
	355,536	1,823,896
		400,760

5.00%
3.00%
18.00%
2.00%
2.00%
4.00%
5.00%
6.00%
6.50%
7.50%
0.50%
2.00%

Includes in-suite furnishings

TEXTBOOK STUDENT SUITES INC.
Draft - for discussion only

PRO FORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS

Updated:
21-Jul-17

774 Bronson 'Dow's Lake'

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete
32 Mechanical	0	5,916,624	5,916,624	\$39.60	\$34,399	
33 Electrical	0	2,341,997	2,341,997	\$15.68	\$13,616	
34 Construction Management	0	739,578	739,578	\$4.95	3.50%	
35 Construction Contingency	0	493,052	493,052	\$3.30	2.50%	
Sub-total	0	25,797,599	25,797,599	172.66		
36 Soils \ Demolition	0	90,000	90,000			Included above
37 Building permit	0	0	0	172.00	0	Included above
38 Municipal fees	0	0	0		0	Included above
39 Insurance / Bonding	0	150,000	150,000		0.00%	Allowance
40 Purchaser's upgrades	0	0	0		50.00%	Est at 50% of revenues
Total CONSTRUCTION	0	26,037,599	26,037,599	\$174.27		
DESIGN					172	Units
50 Planning & Approvals	0	100,000	100,000		100,000	Budget for zoning & approvals
51 Architect	0	520,752	520,752	26,037,599	2.00%	% of hard costs
52 Structural Engineer	0	104,150	104,150		0.40%	"
53 Mechanical & Electrical	0	130,188	130,188		0.50%	"
54 Landscape Architect	0	50,000	50,000		\$50,000	Allowance
55 Site Services \ Civil Eng.	0	50,000	50,000		\$50,000	Allowance
56 Interior Designer	0	68,800	68,800		\$400	
57 Cost planning	0	15,000	15,000		\$15,000	Allow for take off / CM Contract
58 Inspection & Site Testing	0	64,500	64,500		\$375	Bulletin 19
59 Code consultant	0	25,000	25,000		\$25,000	Allowance
60 Soils \ Geotech \ Environmental	0	40,000	40,000		\$40,000	
61 Acoustic consultant	0	10,000	10,000		\$10,000	Report
62 Sprinkler consultant	0	10,000	10,000		\$10,000	Report
63 Vibration consultant	0	10,000	10,000	4	\$2,500	Monthly monitoring
64 Other consultants \ Studies	0	50,000	50,000		\$50,000	Misc.
65 Printing & disbursements	0	50,000	50,000		\$50,000	Allowance
Total DESIGN	0	1,298,390	1,298,390			
LEGAL & ADMINISTRATION						
66 Legal Fees	0	275,200	275,200	172	\$1,600	Closing + Incorp/incidentals
67 Accounting	0	30,000	30,000	3	\$10,000	Annual financials
68 Surveyor	0	68,800	68,800		\$400	Per unit estimate
69 Misc. Development	0	100,000	100,000			Out of pockets
70 After sales / Performance audit	0	40,000	40,000		\$40,000	Allowance for after sales/Post registr

24.00%
9.50%
3.00%
2.00%
100.00%

TEXTBOOK STUDENT SUITES INC.
Draft - for discussion only

**PRO FORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS**

Updated:
21-Jul-17

774 Bronson "Dow's Lake"

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast		Notes - Est to complete				
71 Development Management	0	2,400,000	2,400,000	48,000,000	5.00%	% of total costs (net of fees)			
Total LEGAL & ADMINISTRATION	0	2,914,000	2,914,000					0	
SALES & MARKETING									
72 Marketing & Advertising	0	204,500	204,500		\$1,200	Allowance per unit			
73 Sales Centre - Construction	0	50,000	50,000	1,000	\$50.00	Allowance for modifications			
74 Sales Office - Operations	0	40,000	40,000	8	\$5,000	Staff & overhead for one year	Sale: Constr Start Closing		
75 Commissions - Lead Broker	0	918,370	918,370	1.50%	\$61,224,636	Revenue net of HST x	229,592 229,592 459,185		
76 Commissions - Outside Broker	0	1,959,188	1,959,188	4.00%	80.00%	Allowance for 80% co-broke dea	489,797 489,797 979,594		
77 Incentives - Rental Guarantee	0	100,000	100,000	50,000	\$50,000	Rental shortfall + Prop mngmnt	719,389 719,389 1,438,779		
78 Sales Consultant	0	0	0		\$0.00		4,182 4,182 8,365		
79 Retail - Tenant Inducements	0	48,721	48,721	1,624	\$30.00	Allowance			
80 Retail - Commissions	0	8,770	8,770	18.00%	48,721	5-year deal (6% + (4 x 3%))			
Total SALES & MARKETING	0	3,329,549	3,329,549					0	
FINANCE									
81 Arrangement fee	0	720,000	720,000	2.00%	36,000,000	Lender \ broker fee (NIC Mezz cost)			
82 Service Charges & misc.	0	5,400	5,400	150	36	Montly bank charges			
83 Appraisals	0	40,000	40,000	2	20,000	Allowance for 2 Appraisals			
84 Tarion enrolment	0	116,800	116,800	172	\$650.00	Enrolment fees + \$5,000 Reg.	Total Tarion 2 Yr Excess 1YR		
85 Deposit Insurance Fees	0	163,975	163,975	2.5	1.00%	Tarion = 2 yrs / ECDI = 1 yr	9,678,004 3,440,000 6,238,004		
86 Letter of Credit Fees	0	7,500	7,500	1.50%	2	Allowance for \$250,000 K of LC to City	86,000 77,975		
87 Project Monitor	0	97,500	97,500	15	6,500	Bank's monitor during construction			
88 Mezzanine Loan Interest	0	0	0			Included separately under SMO Costs			
89 Mezzanine Loan Fees	0	0	0			Included separately under SMO Costs			
90 Mezz Loan Investor Bonus	0	0	0		8.00%	Included separately under SMO Costs			
91 Construction Loan Interest	0	2,701,745	2,701,745		5.00%	Estimate as per cash flow			
Total FINANCE	0	3,852,920	3,852,920					0	
INTERIM OPERATIONS									
92 Warranty Reserve	0	0	0						
93 Operating costs	0	124,588	124,588	\$241.45	41,529	Avg. CAM per month x # Months			
94 Operating taxes	0	209,690	209,690	\$406.38	69,897	Avg. Tax per month x # Months			
95 Occupancy income	0	-850,438	-850,438	-\$1,648.14	-283,479	Avg. Int. Occ rent per month x Months			
96 Interest Earned on Deposits	0	0	0		0	Assumed = interest payable			
Total INTERIM OPERATIONS	0	-516,160	-516,160					0	

2,701,745
1,840,963



McMURRAY STREET INVESTMENTS
PHASE 1 (Grove, Library, School)
 89 Condominium Units

PROJECT STATISTICS / ASSUMPTIONS - PHASE 1					
Units	Grove	Library North	Library South	School	TOTAL
1 BR	6	2	1	0	9
2 BR	9	38	19	10	78
3 BR	3	0	0	1	4
Total	18	40	20	11	89
Total NSSF	18,115	39,003	22,084	12,444	91,646
Avg NSSF	1,006.4	975.1	1,104.2	1,131.3	1,029.7
Amenity Areas	0	2,988	0	3,883	6,871
Common Area	1,978	5,022	2,764	2,724	12,488
GFA (Above Grade)	20,081	46,983	24,848	19,031	110,963
Efficiency	80.2%	83.0%	88.9%	65.4%	82.6%

Parking	Ratio	TOTAL
Visitors - Underground	0.25	22
Residents - Underground	1.00	89
Sale	112	23
Total # spaces		134

Sales & Development Schedule:	Phase 1
Sales start	May-15
Sales completed (avg / month)	5
Construction Start	Mar-18
Construction Completion (substantial)	Apr-17
Occupancies	May-17
Title Closings	Aug-17

Interim Occupancy Assumptions:	TOTAL
Avg. Selling Price	\$400,742
Avg. Deposit @ Occupancy	20.0%
Avg Balance due @ closing	80,148
Avg. Monthly Occupancy Rent 1	320,593
Interim Occupancy Interest	5.00%
Common Area Maint. (CAM)	\$0.42
Really Taxes	0.98%
Total Monthly Occupancy Rent (Avg.)	\$2,095.56

Combined Project Statistics (per):	NSSF	GFA	UNIT
REVENUE	378.22	312.38	369,469
Land Cost	13.76	11.36	14,165
Hard Cost	204.12	188.59	210,193
Soft Cost	86.75	79.90	93,622
COST	\$314.63	\$259.85	\$323,980
PROFIT	\$63.60	\$52.53	\$65,489

COSTS	Per GFA	Per Unit	W.I.P.	Balance to complete	TOTAL
Land Costs:					
Purchase Price	\$3.06	\$3,801	\$338,326	\$0	\$338,326
Land - Transfer tax	0.00	0	0	0	0
Development Fees & Levies	7.09	8,936	0	786,405	786,405
Planning & Traffic	0.45	562	26,757	23,243	50,000
Site Improvements	0.00	0	0	0	0
Really Taxes	0.77	966	25,933	60,000	85,933
Total Land costs	11.36	14,165	391,016	869,648	1,280,664
Hard Costs:					
General Requirements	8.66	10,822	-	963,137	963,137
Site Work \ Connections	11.59	14,456	986,591	300,000	1,286,591
Concrete \ Formwork	18.50	23,180	0	2,063,866	2,063,866
Masonry	3.72	4,638	0	412,773	412,773
Metals	4.34	5,411	0	481,569	481,569
Carpentry	8.68	10,822	0	963,137	963,137
Thermal Insulation	6.82	8,503	0	756,761	756,761
Doors & Windows	9.30	11,595	0	1,031,933	1,031,933
Finishes	14.88	18,652	0	1,651,093	1,651,093
Specialties \ Appliances	6.82	8,503	0	756,761	756,761
Furniture \ Spec. Constr.	2.48	3,092	0	275,182	275,182
Elevators	5.58	6,957	0	619,180	619,180
Mechanical	20.46	25,508	0	2,270,252	2,270,252
Electrical & Communications	13.84	17,008	0	1,513,502	1,513,502
Garage	18.17	22,652	0	2,016,000	2,016,000
Upgrades	2.01	2,500	0	222,500	222,500
Insurance \ Bonding \ Tardon	4.05	5,047	56,866	392,282	449,148
Construction Management	5.05	6,291	0	559,916	568,916
Contingency	3.73	4,651	0	413,936	413,936
Total Hard Costs	168.59	210,193	1,043,457	17,663,741	18,707,198
Soft Costs:					
Design	11.39	14,197	810,435	453,140	1,283,675
Legal & Administration	5.98	7,482	355,412	307,821	669,233
Development Management	7.96	9,923	419,022	464,165	883,187
Sales & Marketing	23.13	28,832	1,221,171	1,344,868	2,568,039
Finance	33.49	41,751	1,290,704	2,425,171	3,716,875
Offsetting Income	-4.29	-5,343	0	-475,647	-475,647
Equity Interest \ Fees	0.00	0	0	0	0
Soft cost contingency	2.25	2,809	0	250,000	250,000
Total Soft Costs	79.90	99,622	4,096,744	4,769,818	8,666,362
Total COSTS	259.85	323,980	\$5,531,218	\$23,303,007	\$28,834,225

REVENUES	Units	Avg NSSF	Total NSSF	Avg NSSF	Avg / Unit	TOTAL
GROVE						
Suites	18	1,006.4	18,115	\$401.64	\$404,203	\$7,275,655
Less: Net HST				5.68%	-405,982	
Upgrades	18				\$5,000	90,000
Sundry Revenues	18				1,000	18,000
Total - GROVE						\$6,977,673
LIBRARY						
Suites	60	1,018.1	61,087	\$379.11	\$385,981	\$23,159,650
Less: Net HST				5.29%	-1,225,103	
Upgrades	60				\$5,000	300,000
Sundry Revenues	60				1,000	60,000
Total - LIBRARY						\$22,293,747
SCHOOL						
Suites	11	1,131.3	12,444	\$420.40	\$475,591	\$5,231,498
Less: Net HST				7.00%	-366,205	
Upgrades	11				\$6,000	66,000
Sundry Revenues	11				1,000	11,000
Total - SCHOOL						\$4,931,293
TOTAL REVENUES	89	1,029.7	91,646	\$359.17	\$400,742	35,666,003
Less: Net HST				5.60%	-1,997,290	
2nd Parking	23				\$20,000	460,000
Lockers	89				\$0	0
Upgrades					\$5,000	445,000
Sundry Revenues						89,000
Total REVENUES						\$34,662,713

DEVELOPMENT PROFIT		Total
AT COMPLETION - DEVELOPMENT PROFIT		
Total Revenues		\$34,662,713
Total Costs		28,834,225
Development Profit	20.2%	\$5,828,488

FINANCING (Source of funds)		%	Total
Equity		6.9%	\$2,000,000
Land loan		13.9%	4,000,000
Deposits - Insured	75.00%	18.6%	5,349,900
Deferred costs + fees		3.8%	1,100,000
Construction loan		66.8%	16,384,325
Total Financing		100.0%	\$28,834,225

McMurray Street Investments
PHASE 1 (Grove / Library / School)
Project Revenue and Cost Forecast
as at 31-Mar-15

16-Apr-15

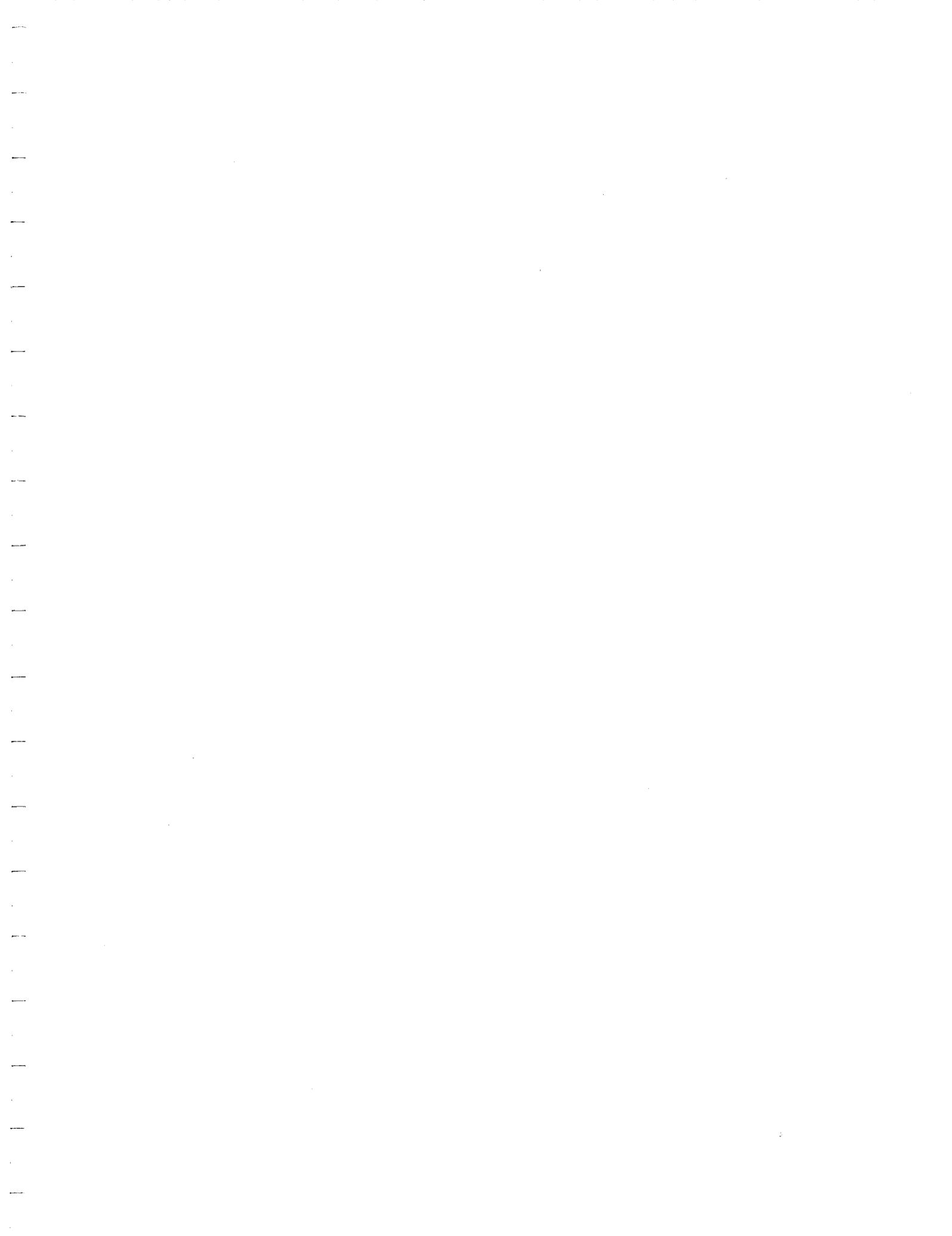
	(1) W.L.P.	(2) Est. Balance	(3) Total	Notes	Phase 1	Total	Total	WIP TOTAL	Phase 1	Phase 2	
REVENUES											
Suites	0	35,565,003	35,565,003								
2nd Parking	0	450,000	450,000								
Upgrades	0	445,000	445,000								
Sundry Income	0	89,000	89,000								
Less: HST (net of Rebate)	0	-1,997,290	-1,997,290								
Total REVENUES	0	34,662,713	34,662,713								
COSTS											
LAND											
Land - Purchase	338,325	0	338,325	Land value - Phase 1 portion	110,963			650,000	338,326	311,874	
Land - Transfer tax	0	0	0	1.2 % of land value	52,056						
Parkland dedication	0	0	0								
City Development Charges - Res. Section 37	0	786,405	786,405	2014 rates for 1BR incl 2.5%	1BR 5,254	ZBR + 9,115					
Realty Taxes	25,933	60,000	85,933	Annual X 3 years	520,000		3.00	48,524	25,933	23,891	
Road Improvements	0	0	0								
Planning & traffic	26,757	23,243	50,000	Allowance to get SPA	50,000			51,407	26,757	24,850	
Total LAND	391,015	869,648	1,260,664					761,231	391,016	360,215	
CONSTRUCTION											
Site Work \ Services \ Demo.	986,591	300,000	1,286,591	Per GFA = not incl Site / Garage	Library/Grove \$106.00	School \$95.00					
General Requirements	0	953,137	953,137	Total GFA by new / renovated	91,932.0	19,031.0					
Concrete Formwork	0	2,063,866	2,063,866	Amount to distribute below	11,951,160	1,607,945					
Masonry	0	412,773	412,773	Fixed estimated to complete	300,000			1,895,465	986,591	908,574	
Metals/Balcony railings	0	481,569	481,569								
Carpentry	0	963,137	963,137								
Thermal & Moisture	0	756,751	756,751								
Doors & Windows	0	1,031,933	1,031,933								
Finishes	0	1,651,083	1,651,083								
Specialties \ Appliances	0	756,751	756,751								
Furniture & Amenity Equipment	0	275,182	275,182								
Conveying Systems	0	619,160	619,160								
Mechanical	0	2,270,252	2,270,252								
Electrical	0	1,513,502	1,513,502								
Garage	0	2,016,000	2,016,000	112 spaces x 18,000 =	2,016,000		112				
Purchaser's upgrades	0	222,500	222,500	Fixed @ 50% of revenues							
Construction Management	0	559,916	559,916	As %			3.50%				
Construction Contingency	0	413,938	413,938	As %			2.50%				
Sub-total	986,591	17,271,459	18,258,051					1,895,465	986,591	908,574	
Building permit	0	172,715	172,715	1 % of construction							
Municipal fees	17,030	57,970	75,000	Allowance	75000.00			17,030	17,030		
Insurance	39,836	06,357	126,183	.50% of value	0.50%			76,534	39,836	36,698	
Bonding	0	0	0								
Tarion enrolment	0	75,240	75,240	Enrolment fees + \$5,000 Reg.							
PHASE 2 Allocation	0	0	0								
Total CONSTRUCTION	1,043,457	17,663,741	18,707,198					1,969,029	1,043,457	945,572	
DESIGN											
Architect	310,842	62,558	373,850	Per unit	4,200		89	310,842	310,842		
Structural Engineer	24,485	82,315	106,800	35 % of Arch.	1,200		89	24,485	24,485		
Mechanical & Electrical	0	80,109	80,109	30 % of Arch.	900		89				
Landscape Architect	8,289	41,711	50,000	Budget	50,000			8,289	8,289		
Site Services	0	25,000	25,000	Budget	25,000						
Interior Designer	195,837	54,163	250,000	Budget	250,000			195,837	195,837		
Cost planning	18,975	1,025	20,000	Budget	20,000			18,975	18,975		
Inspection & Site Testing	0	37,500	37,500	Budget	2,500		15.00				
Code consultant	0	15,000	15,000	Budget	15,000						
Civil Engineer	36,632	23,368	60,000	Budget	60,000			36,632	36,632		
Soils / Environmental	12,577	0	12,577		0			12,577	12,577		
Acoustic consultant	0	0	0		0						
Sprinkler consultant	0	0	0	Code consultant	0						
Vibration consultant	0	5,000	5,000		5,000						
Other consultants	202,798	25,000	227,798	Actuals - to allocate	25,000			202,798	202,798		
Printing & disbursements	0	0	0								
Total DESIGN	810,435	463,140	1,263,575	Should allocate to same				810,435	810,435	0	
LEGAL & ADMINISTRATION											
Legal Fees	303,033	169,200	463,233	Balance est @	1,800		89	303,033	303,033		
Accounting	8,775	31,225	40,000	Budget	40,000			8,775	8,775		
Surveyor	32,175	27,825	60,000	Budget	60,000			32,175	32,175		
Misc. Development	11,429	36,571	50,000	Budget	50,000			11,429	11,429		
Customer Service	0	50,000	50,000	After sales service	50,000						
Development Management	419,022	464,165	883,187	Percent of construction cost			5.00%	419,022	419,022		
Total LEGAL & ADMINISTRATION	774,434	771,986	1,546,420					774,434	774,434	0	
SALES & MARKETING											
Sales Centre - Renovations	655,480	4,520	660,000	Complete	660,000			655,480	655,480		
Sales Office - Operations	0	75,000	75,000	Budget	75,000						
Marketing & Advertising	565,691	305,309	875,000	Budget	875,000			565,691	565,691		
Commissions - Lead Broker	0	560,302	560,302	% of sales			2.00%				
Commissions - Outside Broker	0	252,237	252,237	20 % of deals x			4.00%				
Sales incentives	0	133,500	133,500	Per unit allowance	\$1,500.00		20.00%				
PHASE 2 ALLOCATION	0	0	0				89				
Total SALES & MARKETING	1,221,171	1,344,868	2,566,039					1,221,171	1,221,171	0	
FINANCE											
Arrangement fee	0	212,500	212,500	Allowance for lender/broker fees	1.25%		17,000,000				
Service Charges & misc.	1,231	23,769	25,000	Allowance	25,000			1,231	1,231		
Appraisals	19,877	26,123	40,000	Budget	40,000			19,877	19,877		
Deposit Insurance Fees	0	106,998	106,998	1.5% per annum x 2.0 yrs				5,349,500			
Letter of Credit Fees	0	0	0								
Project Monitor	0	90,000	90,000	Bank's monitor	15		6,000				
Interest Payable on Deposits	0	0	0								
Construction Loan Interest	200,000	1,551,781	1,751,781	Esémote per cash flow	6.00%						
Mezzanine Mortgage Inter	840,000	420,000	1,260,000	4% bonus to complete - Tier 1	3.00%		3,500,000	1,686,986	1,269,596	317,399	
Mezzanine Mortgage Fees	229,599	0	229,599								
Total FINANCE	1,290,704	2,425,171	3,715,875					1,608,103	1,290,704	317,399	

Cost to Complete
McMurray - Phase 1

Units	Grove	Lib. South	Lib. North	School	PARKING	TOTAL
Total	18	20	40	11		89
Total NSSF	18,115	22,084	39,003	12,444		91,646
Avg NSSF	1,006.4	1,104.2	975.1	1,131.3		1,029.7
Amenity Areas	0	0	2,968	3,863		6,831
Common Area	1,976	2,764	5,022	2,724		12,486
GFA	20,091	24,848	46,993	19,031		110,963
REVENUES						
Suites	7,275,655	8,408,075	14,750,775	5,231,498	-	35,666,003
2nd Parking					460,000	460,000
Upgrades	90,000	100,000	200,000	55,000		445,000
Sundry Income	18,000	20,000	40,000	11,000		89,000
Less: HST (net of Rebate)	405,982	444,787	780,316	366,205		1,997,290
Total REVENUES	6,977,673	8,083,288	14,210,459	4,931,293	460,000	34,662,713
COSTS						
LAND						
Land - Purchase						-
Land - Transfer tax						-
Parkland dedication						-
City Development Charges - Res. Section 37	147,508	179,543	359,087	100,267		786,405
Really Taxes	10,864	13,436	25,410	10,290		60,000
Road improvements						-
Planning & traffic	4,208	5,205	9,843	3,986		23,243
Total LAND	162,580	198,184	394,340	114,544	0	869,648
CONSTRUCTION						
Site Work \ services					300,000	300,000
General Requirements	182,828	226,117	427,636	126,556	-	963,137
Concrete \ Formwork	391,775	484,536	916,364	271,192	-	2,063,866
Masonry	78,355	96,907	183,273	54,238	-	412,773
Metals/Balcony railings	91,414	113,058	213,818	63,278	-	481,569
Carpentry	182,828	226,117	427,636	126,556	-	963,137
Thermal & Moisture	143,651	177,663	336,000	99,437	-	756,751
Doors & Windows	195,887	242,268	468,182	135,596	-	1,031,933
Finishes	313,420	387,629	733,091	216,953	-	1,651,093
Specialties \ Equipm.	143,651	177,663	336,000	99,437	-	756,751
Furniture & Amenity Equipment	52,237	64,605	122,182	36,159	-	275,182
Conveying Systems	117,532	145,361	274,909	81,358	-	619,160
Mechanical	430,952	532,990	1,008,000	298,311	-	2,270,252
Electrical	287,301	355,326	672,000	198,874	-	1,513,502
Garage					2,016,000	2,016,000
Purchaser's upgrades	45,000	50,000	100,000	27,500	-	222,500
Construction Management	92,989	114,808	217,318	64,241	70,560	559,916
Construction Contingency	68,745	84,876	160,660	47,492	52,164	413,938
Sub-total	2,818,565	3,479,925	6,587,068	1,947,178	2,438,724	17,271,459
Building permit	28,186	34,799	65,871	19,472	24,387	172,715
Municipal fees	10,496	12,981	24,550	9,942		57,970
Insurance	14,093	17,400	32,936	9,736	12,194	86,357
Bonding						-
Tarion enrolment	17,363	19,292	38,585			75,240
PHASE 2 Allocation						-
Total CONSTRUCTION	2,868,702	3,564,397	6,749,009	1,986,328	2,475,305	17,663,741
DESIGN						
Architect	12,733	14,148	28,296	7,781	-	62,958
Structural Engineer	16,648	18,498	36,996	10,174	-	82,315
Mechanical & Electrical	16,200	18,000	36,000	9,900	-	80,100
Landscape Architect	8,436	9,373	18,747	5,155	-	41,711
Site Services					25,000	25,000

Cost to Complete
McMurray - Phase 1

Units	Grove	Lib. South	Lib. North	School	PARKING	TOTAL
Interior Designer	10,954	12,171	24,343	6,694	-	54,163
Cost planning	207	230	461	127	-	1,025
Inspection & Site Testing	7,584	8,427	16,854	4,635	-	37,500
Code consultant	3,034	3,371	6,742	1,854	-	15,000
Civil Engineer					23,368	23,368
Soils / Environmental					0	-
Acoustic consultant					0	-
Sprinkler consultant					0	-
Vibration consultant					5,000	5,000
Other consultants	5,056	5,618	11,236	3,090	-	25,000
Printing & disbursements	-	-	-	-	-	-
Total DESIGN	80,853	89,836	179,673	49,410	53,368	453,140
<u>LEGAL & ADMINISTRATION</u>						
Legal Fees	32,400	36,000	72,000	19,800	-	160,200
Accounting	6,315	7,017	14,034	3,859	-	31,225
Surveyor	5,628	6,253	12,506	3,439	-	27,825
Misc. Development	7,801	8,668	17,335	4,767	-	38,571
Customer Service	10,112	11,236	22,472	6,180	-	50,000
Development Management	93,876	104,307	208,614	57,369	-	464,165
Total LEGAL & ADMINISTRATION	156,132	173,480	346,960	95,414	0	771,986
<u>SALES & MARKETING</u>						
Sales Centre - Renovations	914	1,016	2,031	559	-	4,520
Sales Office - Operations	15,169	16,854	33,708	9,270	-	75,000
Marketing & Advertising	62,557	69,508	139,015	38,229	-	309,309
Commissions - Lead Broker	113,320	125,911	251,821	69,251	-	560,302
Commissions - Outside Broker	53,037	58,930	117,859	32,411	-	262,237
Sales Incentives	27,000	30,000	60,000	16,500	-	133,500
PHASE 2 ALLOCATION	-	-	-	-	-	-
Total SALES & MARKETING	271,996	302,218	604,435	166,220	0	1,344,868
<u>FINANCE</u>						
Arrangement fee	42,978	47,753	95,506	26,264	-	212,500
Service Charges & misc.	4,807	5,341	10,683	2,938	-	23,769
Appraisals	4,070	4,522	9,044	2,487	-	20,123
Deposit Insurance Fees	21,640	24,044	48,089	13,224	-	106,998
Letter of Credit Fees	-	-	-	-	-	-
Project Monitor	18,202	20,225	40,449	11,124	-	90,000
Interest Payable on Deposits	-	-	-	-	-	-
Construction Loan Interest	313,843	348,715	697,430	191,793	-	1,551,781
Mezzanine Mortgage inter	84,944	94,382	188,764	51,910	-	420,000
Mezzanine Mortgage fees/Bonus	-	-	-	-	-	-
Total FINANCE	490,484	544,982	1,089,964	299,740	0	2,425,171
<u>INTERIM OPERATIONS</u>						
Warranty Reserve	-	-	-	-	-	-
Operating costs	31,139	34,599	69,198	19,029	-	153,965
Operating taxes	23,564	26,182	52,364	14,400	-	116,509
Occupancy income	150,881	167,645	335,290	92,205	-	746,021
Interest Earned on Deposits	-	-	-	-	-	-
Total INTERIM OPERATIONS	-96,178	-106,864	-213,729	-58,775	0	-475,547
<u>CONTINGENCIES</u>						
General	40,885	50,448	95,521	28,113	35,034	250,000
Total CONTINGENCIES	40,885	50,448	95,521	28,113	35,034	250,000
<u>EQUITY COSTS</u>						
Equity fees and commissions	0	0	0	0	0	-
Equity interest	0	0	0	0	0	-
Equity bonus	0	0	0	0	0	-
Total EQUITY COSTS	0	0	0	0	0	0
Total COSTS	3,995,453	4,816,681	9,246,174	2,680,993	2,563,707	23,303,007
Total VALUE ADD	2,982,220	3,266,607	4,964,285	2,250,299	-2,103,707	11,359,706



BOATHAUS (Whitby, Ontario)
PHASE 1 & 2 (Blocks A, B, C, D)
291 Condominium Units

PROJECT STATISTICS / ASSUMPTIONS	Phase 1		TOTAL
	Bik A	Bik B,C,D	
Units Types:			
Bachelor	0	8	8
1 BR	60	37	97
1 BR + D	10	30	40
2 BR	90	96	186
Total Units	120	171	291
Total NSSF	80,766	98,828	179,594
Avg NSSF	673.1	577.9	617.2
Amenity Area	2,783	3,417	6,200
Common Area	10,817	13,713	24,530
GFA (Above Grade)	94,366	115,959	210,325
Net to Gross Efficiency	86.5%	86.2%	85.4%

Parking	Ratio	Phase		TOTAL
		1	2	
Visitors (incl 5 surface)	5%	0	6	12
Residents	100%	120	171	291
Sale - 2nd spaces	10%	12	17	29
Total # spaces		138	194	332

Sales & Development Schedule:	Phase	
	1	2
Sales start	May-16	Nov-15
Avg. # sales per month	4	4
Sales completed	Jun-16	Mar-17
Construction Start	Sep-16	Nov-16
Construction Completion (substantial)	Dec-17	Feb-18
Occupancies	Jan-18	Mar-18
Title Closings	Apr-18	May-18

Interim Occupancy Assumptions:	Phase	
	1	2
Avg. Selling Price	\$248,278	\$321,160
Avg. Deposit @ Occupancy	20.0%	48,656
Avg. Balance due @ closing	198,623	227,146
Avg. Monthly Occupancy Rent :		
Interim Occupancy Interest	4.00%	662.08
Common Area Maint. (CAM)	\$0.38	255.78
Really Taxes	0.80%	165.52
Total Monthly Occupancy Rent (Avg.)	\$1,083.35	\$1,206.09

Combined Project Statistics (per):	REVENUE		
	NSSF	GFA	UNIT
Hard Cost	\$206.68	\$176.52	\$126,862
Soft Cost	112.12	95.74	69,196
Land Cost	89.69	78.58	55,348
COST	\$407.36	\$347.84	\$251,406
PROFIT	\$61.16	\$52.23	\$37,747

COSTS	Per GFA	Per Unit	PHASE		TOTAL
			1	2	
Land Costs:					
Purchase Price	\$42.79	\$30,928	\$4,038,009	\$4,961,991	\$9,000,000
Land - Transfer tax	0.69	497	64,900	79,750	144,650
Development Fees & Levies	31.46	22,740	2,604,170	4,013,035	6,617,205
Planning & traffic	0.40	292	38,137	46,863	85,000
Site Improvements	0.00	0	0	0	0
Really Taxes	1.23	891	116,357	142,883	259,240
Total Land costs	76.58	55,348	6,861,573	9,244,822	16,106,395
Hard Costs:					
General Requirements	\$12.85	\$9,145	1,175,500	1,485,678	\$2,661,178
Site Work \ Connections	14.23	10,288	1,322,438	1,671,388	2,993,825
Concrete \ Formwork	37.96	27,435	3,526,500	4,457,034	7,983,534
Masonry	2.37	1,716	220,406	278,565	498,971
Metals	11.07	8,002	1,028,563	1,289,968	2,328,531
Carpentry	7.12	5,144	681,219	835,894	1,496,913
Thermal Insulation	7.91	5,716	734,688	928,549	1,663,236
Doors & Windows	6.33	4,672	587,750	742,839	1,330,589
Finishes	15.02	11,431	1,469,375	1,857,090	3,326,473
Specialties \ Equipment	4.74	3,429	440,613	557,129	997,742
Furniture \ Spec. Constr.	2.37	1,716	220,406	278,565	498,971
Elevators	3.16	2,286	293,875	371,420	665,295
Mechanical	22.14	16,004	2,057,125	2,699,837	4,657,062
Electrical & Communications	10.28	7,430	955,094	1,207,113	2,162,207
Upgrades	3.46	2,500	300,000	427,500	727,500
Insurance \ Bonding \ Torton	4.06	2,936	374,833	479,568	854,398
Construction Management	4.85	3,504	449,813	569,954	1,019,767
Construction contingency	4.99	3,609	463,307	587,953	1,050,360
Total Hard Costs	175.62	126,862	16,281,702	20,835,048	36,916,750
Soft Costs:					
Design	\$8.32	\$6,017	739,804	1,011,246	1,750,850
Legal & Administration	6.15	4,445	536,854	756,809	1,293,463
Development Management	8.57	6,196	795,343	1,007,774	1,803,118
Sales & Marketing	20.51	14,822	1,844,683	2,468,853	4,313,336
Finance	55.72	40,275	5,266,263	6,468,654	11,710,916
Offsetting Income	-4.97	-3,690	-397,245	-647,365	-1,044,610
Equity Interest \ fees	0.00	0	0	0	0
Soft cost contingency	1.43	1,031	134,600	165,400	300,000
Total Soft Costs	95.74	69,196	8,909,802	11,226,170	20,136,072
Total COSTS	347.84	251,406	\$32,053,177	\$41,105,841	\$73,159,017

FINANCING (source of funds)		%	Total
Equity		2.7%	\$2,000,000
Mezzanine		18.6%	13,595,750
Deposits - Insured	40,755	16.2%	11,859,636
Deferred costs		4.8%	3,500,000
Construction loan		57.7%	42,203,631
Total Financing		100.0%	\$73,159,017

REVENUES	Units	Avg. NSSF	Total NSSF	Avg. /Unit	Avg. /Unit	TOTAL
PHASE 1 - SOLD						
Suites	69	686.4	47,365	\$681.68	\$248,278	\$17,131,200
Rooftop units	1				\$15,000	15,000
Parking- 2nd spaces	0				\$25,000	0
Storage	69				\$0	0
Less: Net HST incl.					4.96%	-849,869
Upgrades	69				\$5,000	345,000
Sundry Revenues	69				2,000	138,000
PHASE 1 - SOLD						\$16,779,331
PHASE 1 - Available						
Suites	51	654.9	33,401	\$415.52	\$272,133	\$13,878,792
Rooftop units	12				\$15,167	182,000
Parking- 2nd spaces	12				\$25,000	300,000
Storage	51				\$0	0
Less: Net HST incl.					2.59%	-364,163
Upgrades	51				\$5,000	255,000
Sundry Revenues	51				2,000	102,000
PHASE 1 - Available						\$14,953,829
PHASE 2 - SOLD						
Suites	44	690.3	30,372	\$427.82	\$295,309	\$12,983,600
Rooftop units	2				\$22,500	45,000
Parking- 2nd spaces	0				\$25,000	0
Storage	44				\$0	0
Less: Net HST incl.					5.07%	-658,492
Upgrades	44				\$5,000	220,000
Sundry Revenues	44				2,000	88,000
PHASE 2 - SOLD						\$12,666,108
PHASE 2 - Available						
Suites	127	740.4	94,033	\$433.75	\$321,160	\$40,787,270
Rooftop units	11				\$20,091	221,000
Parking- 2nd spaces	17				\$25,000	427,500
Storage	127				\$0	0
Less: Net HST incl.					4.91%	-2,002,372
Upgrades	127				\$5,000	635,000
Sundry Revenues	127				\$2,000	254,000
PHASE 2 - Available						\$40,322,398
PROJECT TOTAL						
Suites	291	705.1	205,171	\$413.27	\$291,378	\$64,790,662
Rooftop units	26				\$17,808	463,000
Parking- 2nd spaces	29				\$25,000	727,500
Storage	291				\$0	0
Less: Net HST					4.51%	-3,874,895
Upgrades	291				\$5,000	1,455,000
Sundry Revenues	291				\$2,000	582,000
Total REVENUES						\$84,143,467

DEVELOPMENT PROFIT		Total
Total Revenues		\$84,143,467
Total Costs		73,159,017
Development Profit		\$10,984,450
		16.0%

BOATHAUS
Phases 1 and 2
Project Revenue and Cost Forecast
at at November 30, 2015.

Work in Process	Estimated to Complete	(1) Phase 1	(2) Phase 2	(3) Total Forecast	Notes	Phase 1	Phase 2
REVENUES							
Suites	30,124,800	54,656,062	31,000,992	53,780,870	84,790,852	Avg / per phase =	
Rooflops	80,000	403,000	157,000	268,000	463,000		Phase 1: \$388.95 Phase 2: \$544.18
2nd Parking	0	727,500	300,000	427,500	727,500		Phase 1: \$15,154 Phase 2: \$20,462
Storage	0	0	0	0	0		Phase 1: 25,000 Phase 2: 25,000
Upgrades	0	1,455,000	600,000	855,000	1,455,000		
Sundry Income	138,000	444,000	240,000	342,000	582,000		
Less: HST (net of Rebate)	-849,588	-3,025,027	-1,214,032	-2,850,854	-3,874,895		Phase 1: 2,000 Phase 2: 2,000
Total REVENUES	29,472,931	54,670,535	31,132,960	53,010,508	84,143,467		0
COSTS							
LAND							
Land - Purchase	5,000,000	0	4,030,009	4,861,981	9,000,000	GFA allocation	Phase 1: 94,366 Phase 2: 115,959
Land - Transfer tax \ Title fees	144,649	1	84,990	79,750	144,650	1.61 % of land price	Phase 1: 44.67% Phase 2: 55.13%
Parkland dedication	0	180,000	80,760	99,240	180,000	2% of land value	
City Development Charges - Res.	0	5,437,205	2,523,410	3,813,795	6,437,205	2015 rates for 1 BR	Phase 1: 17,283 Phase 2: 17,715
Section 37	0	0	0	0	0	2015 rates for 2BR	Phase 1: 26,272 Phase 2: 28,929
Realty Taxes	124,340	135,000	116,357	142,983	259,340	Annual at 0.75% = 2 years	Phase 1: \$67,500 Phase 2: \$49,820
Road Improvements	0	0	0	0	0		
Planning & traffic	51,684	23,818	38,137	46,863	85,000	Allowance to get SPA for site	Phase 1: 85,000 Phase 2: 0
Total LAND	5,320,673	6,775,522	6,861,573	8,244,622	15,106,195		-1
CONSTRUCTION							
General Requirements	0	2,681,178	1,175,500	1,485,878	2,681,178	Estimated % of const. budget =	Phase 1: 8.00% Phase 2: 9.00%
Site Work \ Site services	0	2,993,825	1,322,438	1,671,388	2,993,825		Phase 1: 2,898,000 Phase 2: 4,076,100
Concrete \ Formwork	0	7,983,534	3,526,500	4,457,034	7,983,534	Gross cost above grade @125	Phase 1: 11,785,750 Phase 2: 14,484,875
Masonry	0	498,971	220,405	278,585	498,971		Phase 1: 14,693,759 Phase 2: 18,570,875
Metals \ Balcony railings	0	2,328,531	1,028,563	1,299,968	2,328,531		
Carpentry	0	1,496,913	681,219	835,094	1,496,913		
Thermal & Moisture	0	1,663,236	734,888	928,549	1,663,236		
Doors & Windows	0	1,330,589	587,750	742,839	1,330,589		
Finishes	0	3,328,473	1,469,375	1,857,098	3,328,473		
Specialties \ Appliances	0	997,842	440,813	557,129	997,842		
Furniture & Amenity Equipment	0	488,971	220,496	278,585	488,971		
Conveying Systems	0	655,295	293,875	371,420	655,295		
Mechanical	0	4,657,052	2,057,125	2,595,937	4,657,052		
Electrical	0	2,182,207	955,094	1,207,113	2,182,207		
Purchaser's upgrades	0	727,500	390,000	427,500	727,500	Fixed @ 50% of revenues	Phase 1: 3.00% Phase 2: 3.00%
Construction Management	0	1,019,767	449,813	589,954	1,019,767	% of construction cost	
Construction Contingency	0	1,050,380	483,307	587,053	1,050,380	Fixed	
Sub-total	0	38,082,352	15,906,869	20,155,492	38,082,352		
Sols \ Demolition	150,000	0	67,300	82,700	150,000	Allowance for sols / Demo	Phase 1: 150,000 Phase 2: 0
Building permit	0	324,561	143,162	181,969	324,561	.09 % of construction	
Municipal fees	58,052	16,848	33,650	41,250	75,000	Allowance	Phase 1: 75,000.00 Phase 2: 0
Insurance	6,155	102,031	47,721	60,455	108,187	.30% of value	
Bonding	0	0	0	0	0		
Tax on enrolment	2,500	194,150	83,000	112,650	186,650	Enrolment fees + \$5,000 Req.	Phase 1: 0 Phase 2: \$650.00
Total CONSTRUCTION	216,708	36,700,042	16,281,702	20,635,048	36,916,750		0
DESIGN							
Architect	370,218	502,782	380,000	513,000	873,000	Budget - IBI Architects	Phase 1: 3,000 Phase 2: \$3,000
Structural Engineer	0	218,250	90,000	128,250	218,250	25 % of Arch.	Phase 1: 750 Phase 2: \$750
Mechanical & Electrical	0	174,600	72,000	102,600	174,600	20 % of Arch.	Phase 1: 600 Phase 2: \$600
Landscaping Architect	0	0	0	0	0	Incl In Architect	
Site Services / Civil Engineer	0	50,000	22,433	27,567	50,000	Budget	Phase 1: 50,000 Phase 2: 0
Interior Designer	100,300	89,700	78,273	93,727	170,000	Budget	Phase 1: 170,000 Phase 2: 0
Cost planning	9,500	10,500	8,973	11,027	20,000	Budget / First Residential	Phase 1: 20,000 Phase 2: 0
Inspection & Site Testing	0	60,000	26,920	33,080	60,000	Budget	Phase 1: 60,000 Phase 2: 0
Code consultant	3,300	21,700	11,217	13,783	25,000	Budget / Randal Brown	Phase 1: 25,000 Phase 2: 0
Civil Engineer	0	0	0	0	0	Budget	
Soils	1,038	13,863	6,730	8,270	15,000	Budget / GHD Inc.	Phase 1: 15,000 Phase 2: 0
Acoustic consultant	0	15,000	6,730	8,270	15,000	Budget	Phase 1: 15,000 Phase 2: 0
Sprinkler consultant	0	15,000	6,730	8,270	15,000	Budget	Phase 1: 15,000 Phase 2: 0
Vibration consultant	0	15,000	6,730	8,270	15,000	Budget	Phase 1: 15,000 Phase 2: 0
Other consultants	0	50,000	22,433	27,567	50,000	Budget	Phase 1: 50,000 Phase 2: 0
Printing & disbursements	0	50,000	22,433	27,567	50,000	Allowance	Phase 1: 50,000 Phase 2: 0
Total DESIGN	484,356	1,266,495	739,604	1,011,246	1,750,850		0
LEGAL & ADMINISTRATION							
Legal Fees	394,571	698,892	420,000	613,463	1,033,463	Below	Phase 1: 3,500 Phase 2: \$3,588
Accounting	15,500	34,500	22,433	27,587	50,000	Budget	Phase 1: 50,000 Phase 2: 0
Surveyor	20,140	39,860	25,820	33,060	60,000	Budget	Phase 1: 60,000 Phase 2: 0
Misc. Development	0	100,000	44,867	55,133	100,000	Budget	Phase 1: 100,000 Phase 2: 0
Customer Service	0	50,000	22,433	27,587	50,000	Allowance for after sales/warranty	Phase 1: 50,000 Phase 2: 0
Development Management	1,025,856	777,452	795,343	1,007,774	1,803,118	Percent of construction cost	Phase 1: 5.00% Phase 2: 0
Total LEGAL & ADMINISTRATION	1,455,867	1,640,713	1,331,997	1,764,583	3,096,580		0
SALES & MARKETING							
Sales Centre	757,880	42,320	358,934	441,066	800,000	Budget	Phase 1: 800,000 Phase 2: 0
Sales Office - Operations	79,704	170,295	112,167	137,833	250,000	Budget	Phase 1: 250,000 Phase 2: 0
Marketing & Advertising	332,387	287,813	289,201	330,799	600,000	Budget	Phase 1: 600,000 Phase 2: 0
Commissions - Lead Broker	104,511	934,228	372,411	686,328	1,038,739	% of sales	Phase 1: 1.23% Phase 2: Net of deals, etc
Commissions - Outside Broker	0	1,009,722	373,596	538,128	1,008,722	30 % of deals x	Phase 1: 4.00% Phase 2: 30.00%
Sales Incentives	0	814,875	358,375	256,600	814,875	Per unit allowance	Phase 1: \$1,500.00 Phase 2: 1,500
Total SALES & MARKETING	1,274,282	3,039,054	1,844,683	2,468,653	4,313,336		0
FINANCE							
Arrangement fee	18,835	596,364	275,931	338,069	615,000	Allowance for lender/broker fees	Phase 1: 1.50% Phase 2: 41,000,000
Service Charges & misc.	1,346	73,404	33,536	41,212	74,750	5 years 1 monthly + discharge fees	Phase 1: 400 Phase 2: 74,750
Appraisal	18,526	10,474	30,000	0	30,000	Budget	Phase 1: 30,000 Phase 2: 0
Deposit Insurance Fees	53,450	141,076	72,282	122,194	194,476	1.10% per annum x 2.0 / 1.0 yrs	Phase 1: 2,400,000 Phase 2: 3,420,000
Letter of Credit Fees	0	9,375	4,206	5,169	9,375	Allowance	Phase 1: 1,771,075 Phase 2: 4,288,561
Project Monitor	0	75,000	30,000	45,000	75,000	Lender's monitor	Phase 1: 15 Phase 2: 5,000
Interest Payable on Deposits	-2,696	2,696	0	0	0		
Construction Loan Interest	195,247	2,344,182	1,139,359	1,400,070	2,539,429	Estimate per cash flow	Phase 1: 5.00% Phase 2: 3,105,464
Mezzanine Mortgage Interest	1,253,504	4,433,562	2,551,802	3,135,464	5,687,066	8% p.a. + 4% bonus	Phase 1: 2,551,802 Phase 2: 3,135,464
Mezzanine Mortgage fees	2,492,320	2,500	1,119,345	1,375,475	2,494,820	Fees	Phase 1: 18.35% Phase 2: 2,494,820
Total FINANCE	4,081,283	7,588,633	5,256,263	6,463,654	11,719,916		0

BOATHAUS
Phases 1 and 2.
Project Revenue and Cost Forecast
at at November 30, 2015

08-Jan-16

Work In Process	Estimated to Complete	(1) Phase 1	(2) Phase 2	(3) Total Forecast	Notes		
INTERIM OPERATIONS							
Warranty Reserve	0	0	0	0		5.0	
Operating costs	0	354,229	153,455	200,773	Avg. CAM per month x 4 Months	256	235
Operating taxes	0	282,372	99,311	183,061	Avg. Tax per month x 4 Months	168	214
Occupancy Income	0	-1,681,211	-650,012	-1,031,199	Avg. Occ rent per month x 4 Mths	1,083	1,206
Interest Earned on Deposits	0	0	0	0			
Total INTERIM OPERATIONS	0	-1,044,610	-397,245	-647,365		0	
CONTINGENCIES							
General	0	300,000	134,600	165,400		300,000	
Total CONTINGENCIES	0	300,000	134,600	165,400		0	300,000
EQUITY COSTS							
Equity fees and commissions	0	0	0	0		0	0.00%
Equity interest	0	0	0	0			
Equity bonus	0	0	0	0			
Total EQUITY COSTS	0	0	0	0		5	0
Total COSTS	16,793,169	56,365,849	32,053,177	41,105,841	73,159,017		
Total PROFIT							10,984,460

Manor Care Investments (Burlington) Ltd.
770 Champlain Ave. - 60 Suites / 72 Beds

Units / Area:	Residents	Suites
Studio - Private	36	36
2 BR - Private	12	12
2 BR - Semi Private	24	12
	72	60
Avg. Net Area per Unit		657.1
Gross Area - Floors 2-4		39,428
Ground Floor / Roof / Basement		14,391
Gross Floor Area - Above grade		53,820

Lot:	
Lot area / hectares	0.2000
Lot area - square feet	43,056
Typical floor	13,143
Lot coverage	30.53%

Parking:	
Parking spaces provided	31
Ratio - per unit	52%

Development/Lease-up Schedule:	
Construction start	Jun-14
Construction completion	Aug-15
Lease-up start	Sep-15
Lease-up completed	Sep-17

	2014	2015	2016	2017	2018
Land Costs:					
Purchase Price	\$46.45	\$41,667	2,493,900	6,100	2,500,000
Land - Transfer tax	0.89	800	-	48,000	48,000
Planning consultant	0.66	500	6,306	24,694	30,000
Really Taxes	1.66	1,667	0	100,000	100,000
Total Land costs	\$49.78	44,633	2,499,206	178,794	2,678,000
Hard Costs:					
Construction Costs	\$160.00	\$143,519	-	8,611,120	8,611,120
Parking (surface)	0.86	775	-	46,500	46,500
Landscape \ Servicing	9.60	8,611	-	516,667	516,667
Furniture, Fixtures & Equip	19.51	17,500	-	1,050,000	1,050,000
Development Fees & Levies	20.53	18,411	-	1,104,660	1,104,660
Permit fees	2.05	1,835	5,872	104,219	110,091
Insurance	1.44	1,292	-	77,508	77,508
Construction Management	9.50	8,520	-	511,214	511,214
Construction Contingency	5.11	4,687	-	275,229	275,229
Total Hard Costs	\$ 228.60	205,050	5,872	12,297,117	12,302,989
Soft Costs:					
Design \ Consulting	\$11.43	\$10,250	63,080	551,920	615,000
Legal	3.72	3,333	16,523	183,477	200,000
Development Management	27.87	25,000	226,509	1,273,491	1,500,000
Marketing	2.79	2,500	21,767	128,233	150,000
Lease up	16.26	14,583	0	875,000	875,000
Finance	65.88	59,097	-	3,545,833	3,545,833
HST - Net of rebates	31.10	27,900	0	1,674,000	1,674,000
Development Contingency	6.69	6,000	-	360,000	360,000
Total Soft Costs	\$165.74	148,664	327,879	8,591,954	8,919,833
Total COSTS:	\$444.09	\$ 398,347	2,832,957	21,067,866	23,900,823

Revenues	Monthly	Res.	Annual
Studio - Private	\$5,280.02	36	2,284,425
2 BR - Private	\$6,532.26	12	940,645
2 BR - Semi Private	\$4,821.43	24	1,388,672
		72	4,613,642
Optional service revenue		30%	1,384,093
Potential gross income			5,997,734
Less: allowance for vacancy		6%	-359,864
Effective gross income			5,637,870
Operating Expenses		56%	3,156,132
Net Annual Operating Income		44%	2,481,739
Cap rate			7.50%
Valuation at completion of lease up			33,089,850

Profit Calculation	
Valuation at completion of lease up	33,089,850
Project costs	23,900,823
Project profit at completion of lease up	9,189,027

Take out Financing calculation	
Net Annual Operating Income	2,481,739
Debt coverage ratio	1.40
Income required to service debt	1,772,671
10-year commercial mortgage rate	6.00%
1st Mortgage financing - at Take out	29,544,509

Loan repayment and available cash		
Construction loan	58.2%	13,900,823
Equity and investor loans	41.8%	10,000,000
Total construction & investor loans	100.0%	23,900,823
1st Mortgage financing - at Take out		29,544,509
Cash available at take out after repayment of loans		5,643,686

Development Costs (Bullington) Ltd

1	Land Costs	2,493,900		2,590,000
2	Land Transfer tax	-	2%	48,000
3	Planning Consultant	5306		30,000
4	Realty Tax		2 2.0%	100,000
	Total Land Costs	2,499,206		2,678,000

10	Construction Cost	-	\$ 160.00	53,820	8,611,130
11	Surface parking	-	31	1,500	46,500
12	Landscape / Servicing	-		6.0%	516,667
13	FF&E	-	60	17,500	1,050,000
15	Development Charges	-	60	18,411	1,104,660
14	Permit Fees	5,872		1.2%	110,091
16	Insurance / Security	-		0.75%	77,508
15	Construction Management	-		5.0%	511,214
17	Construction Contingency	-		3.0%	275,229
20	Architectural	44,754		3.00%	258,334
21	Civil Engineering	6,400		0.40%	34,444
22	Landscape Architect	850		0.50%	43,056
23	Mech / Elec. Engineering	-		0.75%	64,583
24	Structural Engineering	-		0.75%	64,583
25	Interior Design	11,076			75,000
26	Cost Consultant	-			75,000
30	Legal and Accounting Fees	16,523			200,000
40	Project Management	-		0.3%	60,000
41	Misc Development Expense	59,841		1.0%	240,000
42	Development Fee	166,668		5.0%	1,200,000
50	Pre-Open/Mktg	21,767			150,000
51	Lease-Up Reserve		24	36,458	875,000
	Construction Mortgage Interest				340,000
	Mezz Mortgage Interest				675,000
	Investor Mortgage Interest	-	12%		1,403,333
	Appraisals / Studies/ Reports				30,000
	Tier 1 Fees	-		3.0%	165,000
	Brokerage Fees			1.0%	55,000
	Financing fees			1.50%	217,500
	Mezz fees				-
	Investor Mortgage Commissions	-		12.0%	660,000
	HST			5.4%	1,674,000
	Development Contingency	-		1.5%	360,000
	Total Development Costs	2,832,957			23,900,823

Investment Properties (Bridgeway) Ltd.													
Income	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Total Revenue	485,254	485,254	485,254	485,254	485,254	485,254	485,254	485,254	485,254	485,254	485,254	485,254	5,823,043
Number of Residents	5	10	15	20	25	30	34	38	42	46	50	54	
Vacancy %	93%	86%	79%	72%	65%	58%	53%	47%	42%	36%	31%	25%	
Vacancy \$	451,555	417,857	384,159	350,461	316,763	283,065	256,106	229,148	202,189	175,230	148,272	121,313	
Gross Income	33,698	67,396	101,095	134,793	168,491	202,189	229,148	256,106	283,065	310,023	336,982	363,940	2,486,926
EXPENSES:													
Realty Taxes	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Utilities	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
Wages	61,758	61,758	61,758	80,285	80,285	80,285	92,637	92,637	92,637	92,637	92,637	92,637	961,952
Benefits	12,352	12,352	12,352	16,057	16,057	16,057	18,527	18,527	18,527	18,527	18,527	18,527	196,390
Food	1,672	3,344	5,016	6,688	8,360	10,032	11,370	12,707	14,045	15,382	16,720	18,058	123,394
Administration	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,000
Reserves	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Supplies	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	68,421
Maintenance & Repairs	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	82,105
Advertising	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
Insurance	1,667	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	24,663
Professional Fees	2,083	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,833
Management	5,650	5,650	5,712	7,616	9,520	11,424	12,947	14,470	15,993	17,516	19,039	20,563	146,099
Total Expenses	135,059	136,314	138,048	163,857	167,433	171,009	188,691	191,552	194,413	197,274	200,134	202,995	2,066,778
Net Income	-101,381	-68,918	-36,953	-29,064	1,058	31,180	40,456	64,554	88,652	112,750	136,847	160,945	400,147
Interest on Constr. Mortgage	81,442	82,897	84,171	85,267	86,323	87,209	87,924	88,590	89,119	89,511	89,764	89,879	1,042,096
Investor Mortgage Interest	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	800,000
Mezz Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Operating Loss	-249,469	-467,950	-655,741	-836,739	-988,670	-1,111,365	-1,225,500	-1,316,203	-1,383,337	-1,426,765	-1,446,349	-1,441,949	-1,441,949

Income	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total
Total Revenue	499,811	499,811	499,811	499,811	499,811	499,811	499,811	499,811	499,811	499,811	499,811	499,811	5,997,734
Number of Residents	57	60	63	66	68	68	68	68	68	68	68	68	
Vacancy	21%	17%	13%	8%	6%	6%	6%	6%	6%	6%	6%	6%	
Vacancy	104,127	83,302	62,476	41,651	27,767	27,767	27,767	27,767	27,767	27,767	27,767	27,767	
Gross Income	395,684	416,509	437,335	458,160	472,044	472,044	472,044	472,044	472,044	472,044	472,044	472,044	5,484,040
EXPENSES:													
Realty Taxes	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	123,600
Utilities	9,270	9,270	9,270	9,270	9,270	9,270	9,270	9,270	9,270	9,270	9,270	9,270	111,240
Wages	114,499	114,499	114,499	127,221	127,221	127,221	127,221	127,221	127,221	127,221	127,221	127,221	1,488,491
Benefits	22,900	22,900	22,900	25,444	25,444	25,444	25,444	25,444	25,444	25,444	25,444	25,444	297,898
Food	19,061	20,064	21,067	22,070	22,739	22,739	22,739	22,739	22,739	22,739	22,739	22,739	264,176
Administration	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	82,400
Reserves	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	41,130
Supplies	5,873	5,873	5,873	5,873	5,873	5,873	5,873	5,873	5,873	5,873	5,873	5,873	70,473
Maintenance & Repairs	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	84,568
Advertising	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	103,000
Insurance	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	20,600
Professional Fees	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	25,750
Management	22,366	23,533	24,709	25,886	26,670	26,670	26,670	26,670	26,670	26,670	26,670	26,670	309,840
Total Expenses	234,052	236,232	238,412	255,858	257,311	257,311	257,311	257,311	257,311	257,311	257,311	257,311	3,023,045
Net Income	161,632	180,277	198,923	202,302	214,733	214,733	214,733	214,733	214,733	214,733	214,733	214,733	2,460,994
Interest on Constr. Mortgage	89,853	89,823	89,684	89,436	89,166	88,823	88,477	88,130	87,780	87,428	87,075	86,719	1,062,395
Investor Mortgage Interest	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	800,000
Mezz Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Operating Loss	-1,436,837	-1,413,049	-1,370,477	-1,324,278	-1,265,376	-1,206,135	-1,146,547	-1,086,611	-1,026,325	-965,687	-904,696	-843,349	-843,349

2014-04-23

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Real Estate Investments (Burlington) Ltd.									
Revenue	Inflator = 3.00%		LEASE UP						
	Suites	Residents	Daily	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5
Private - AL	0	0	115.07	3,500.00	-	-	-	-	-
1 BR - AL	0	0	131.51	4,000.00	-	-	-	-	-
Studio Private - ALZ	36	36	168.79	5,134.00	2,217,888	2,284,425	2,352,957	2,423,546	2,496,252
2 Room Private - ALZ	12	12	208.50	6,342.00	913,248	940,645	968,865	997,931	1,027,869
2 Room Semi - ALZ	12	24	153.90	4,681.00	1,348,128	1,388,572	1,430,229	1,473,136	1,517,330
Rental Revenue	60	72			4,479,264	4,613,642	4,752,051	4,894,613	5,041,451
2nd Occupant / Service Revenue - AL				25%	-	-	-	-	-
Optional Service Revenue ALZ				30%	1,343,779	1,384,093	1,425,615	1,468,384	1,512,435
Potential Gross Income					5,823,043	5,997,734	6,177,667	6,362,997	6,553,886
Less Vacancy				6%	349,383	359,864	370,660	381,780	393,233
Effective Gross Income					5,473,661	5,637,870	5,807,007	5,981,217	6,160,653
Resident Days	24,703	PRD's							
Realty Taxes					120,000	123,600	127,308	131,127	135,061
Utilities		1,800			108,000	111,240	114,577	118,015	121,555
Wages		60.00			1,482,192	1,526,658	1,572,457	1,619,631	1,668,220
Benefits		20.00%			296,438	305,332	314,491	323,926	333,644
Food		11.00			271,735	279,887	288,284	296,932	305,840
Administration					80,000	82,400	84,872	87,418	90,041
Reserves					40,000	41,200	42,436	43,709	45,020
Supplies		1.25%			68,421	70,473	72,588	74,765	77,008
Maintenance & Repairs		1.50%			82,105	84,568	87,105	89,718	92,410
Advertising					100,000	103,000	106,090	109,273	112,551
Insurance					20,000	20,600	21,218	21,855	22,510
Professional Fees					25,000	25,750	26,523	27,318	28,138
Transportation					20,000	20,600	21,218	21,855	22,510
Misc. Expense		0.75%			41,052	42,284	43,553	44,859	46,205
Management	Incl. HST	5.65%			309,262	318,540	328,096	337,939	348,077
Operating Expenses				56.0%	3,064,206	3,156,132	3,250,816	3,348,340	3,448,790
Net Operating Income				44.0%	2,409,455	2,481,739	2,556,191	2,632,877	2,711,863

DRAFT - for discussion purposes only

Memory Care Investments (Oakville) Ltd.
103 & 109 Garden Drive, Oakville
60 Suites / 75 Residents

19-Feb-15

PROJECT STATISTICS / ASSUMPTIONS		
Units / Area:	Suites	Residents
Studio - Private	45	45
2 BR - Private	0	0
2 BR - Companion	15	30
	60	75
Avg. Net Area per Unit		621.7
Gross Area - Floors 2-4		37,299
Ground Floor / Roof		13,260
Gross Floor Area - Above grade		50,559
	SM	4697

Lot:	
Lot area / hectares	0.9886
Lot area - square feet	16,114
Typical floor	12,433
Lot coverage	77.16%

Parking:	
Parking spaces provided	25
Ratio - per unit	33%
Gross Floor Area - U/G	13,260

Development/Lease-up Schedule:	
Construction start	Mar-15
Construction completion	May-16
Lease-up start	Mar-16
Lease-up completed	Mar-18

DEVELOPMENT COSTS	Per GFA	Per Suite	W.I.P. 31-Dec-14	Balance to Complete	TOTAL
Land Costs:					
Purchase Price	\$36.47	\$32,417	\$ 1,945,000	\$ -	\$ 1,945,000
Land - Transfer tax	0.65	548	32,850	0	32,850
Development Fees & Levies	19.67	16,578	994,676	0	994,676
Planning consultant	0.40	333	15,045	4,955	20,000
Realty Taxes	2.08	1,760	85,529	39,471	105,000
Total Land costs	\$61.27	51,625	3,053,100	44,426	3,097,526
Hard Costs:					
Construction Costs	\$148.17	\$124,857	\$112,387	\$7,379,019	\$7,491,406
Underground Parking	22.17	18,684	0	1,121,013	1,121,013
Landscape \ Servicing	14.64	12,336	150,000	590,173	740,173
Construction Management	10.09	8,500	-	510,000	510,000
Construction Contingency	5.93	5,000	-	300,000	300,000
Furniture, Fixtures & Equip	20.77	17,500	0	1,050,000	1,050,000
Municipal Permits & fees	1.98	1,667	55,121	44,879	100,000
Insurance	1.38	1,167	25,746	44,254	70,000
Total Hard Costs	\$ 225.13	189,710	343,254	11,039,338	11,382,592
Soft Costs:					
Design \ Consulting	\$15.21	\$12,817	\$200,157	\$568,843	\$769,000
Legal	15.82	13,333	531,182	268,818	800,000
Development Management	29.67	25,000	947,724	552,276	1,500,000
Marketing	2.97	2,500	7,293	142,707	150,000
Lease up	19.78	16,667	0	1,000,000	1,000,000
Finance	133.95	112,875	2,601,126	4,171,384	6,772,510
HST - Net of rebates	36.00	30,333	0	1,820,000	1,820,000
Development Contingency	8.16	6,875	-	412,500	412,500
Total Soft Costs	\$261.56	220,400	4,287,482	8,936,528	13,224,010
Total COSTS:	\$547.96:	\$461,735:	\$ 7,683,836:	\$ 20,020,292:	\$ 27,704,128:

VALUATION / FINANCING at LEASE UP			
	Monthly	Res.	TOTAL Annual
Revenues	\$6,917.07	45	\$ 3,735,217
Studio - Private			
2 BR - Private	#DIV/0!	0	0
2 BR - Companion	\$5,877.39	30	2,115,859
		75	5,051,076
Optional service revenue		18%	877,561
Potential gross income			6,728,737
Less: allowance for vacancy		5%	-336,437
Effective gross income			6,392,300
Less: Operating Expenses		58%	-3,692,206
Net Operating Income		42%	2,700,094
Capitalization rate			7.00%
Valuation at completion of lease up			\$ 38,572,771

Profit Calculation	
Valuation at completion of lease up	\$ 38,572,771
Project costs	27,704,128
Project profit - at completion of lease up	39.2% \$ 10,868,644

Take out Financing / Cash flow after debt service	
Mortgage Principal - at 70% Loan to Value	\$ 27,000,940
10-year commercial mortgage rate	5.00%
Amortization - years	25
Annual P + I required to service take out financing	2,029,433
Net annual cash flow - after debt service	\$ 670,661

Loan repayment and available cash		
Construction loan	45.3%	\$ 12,537,835
Equity and Investor loans	54.7%	15,166,293
Total construction & investor loans	100.0%	27,704,128
1st Mortgage financing - at Take out		28,929,579
Cash available at take out after repayment of loans		\$ 1,225,451

Memory Care OAKVILLE				
Development Cost Assumptions		WIP	60	TOTAL
1	Land Costs / Brokerage	1,945,000		1,945,000
2	Land Transfer tax	32,850	1.69%	32,850
3	Development Charges	994,676	60 16,578	994,676
4	Planning Consultant	15,045		20,000
5	Realty Tax	65,529	2.5 2.0%	105,000
Total Land Costs		3,053,100		3,097,526
10	Construction Cost	112,387	\$ 148.18 50,559	7,491,406
11	Underground Parking		25 44,841	1,121,013
12	Landscape / Servicing / Siteworks	150,000	4.3%	740,173
13	Construction Management	-	5.4%	510,000
14	Construction Contingency	-	3.04%	300,000
15	FF&E		60 17,500	1,050,000
16	Municipal \ permit Fees	55,121	1.2%	100,000
17	Insurance / Security	25,746	0.62%	70,000
20	Architectural	47,456	3.00%	250,000
21	Civil Engineering	31,572	0.50%	41,000
22	Landscape Architect	6,358	0.50%	41,000
23	Mech / Elec. Engineering	2,900	0.75%	61,000
24	Structural Engineering	9,771	0.75%	61,000
25	Interior Design	57,048		100,000
26	Soils / Environmental	9,850		15,000
27	Consultants - Other	24,754		50,000
28	Appraisals / Studies/ Reports	10,448		75,000
29	Cost Consultant			75,000
30	Legal and Accounting Fees	531,182		800,000
31	Project Management	-	0.3%	-
32	Misc Development Expense	87,269	1.5%	125,000
33	Development Fee	860,455	5.0%	1,375,000
40	Marketing	7,293		150,000
41	Lease-Up Reserve		24 41,667	1,000,000
50	Construction Interest			202,729
51	Tier 1 Mortgage Interest	1,025,770		3,816,925
52	Investor Interest	-	12%	-
53	Construction Finance fees		1.50%	217,500
54	Mortgage Brokerage Fees	105,495	1.0%	105,495
55	Tier 1 Fees	1,459,861	3.0%	2,429,861
56	Mezz fees			-
57	Investor Mortgage Commissions	-	12.0%	-
58	HST		5.2%	1,820,000
59	Development Contingency	-	1.5%	412,500
Total Development Costs		7,683,836		27,704,128
Construction Loan			45.3%	12,537,835
Tier 1 Financing			54.7%	15,166,293
Investor Financing			0.0%	-
Total Financing			100.0%	27,704,128

Memory Care OAKVILLE	
Cash Flow / Schedule	
CONSTRUCTION %	
Land Costs / Brokerage	1,945,000
Land Transfer tax	32,850
Development Charges	994,676
Planning Consultant	15,045
Realty Tax	65,529
Construction Cost	112,387
Underground Parking	
Landscape / Servicing / Siteworks	150,000
Construction Management	
Construction Contingency	
FF&E	
Municipal \ permit Fees	55,121
Insurance / Security	25,746
Architectural	47,456
Civil Engineering	31,572
Landscape Architect	6,358
Mech / Elec. Engineering	2,900
Structural Engineering	9,771
Interior Design	57,048
Soils / Environmental	9,850
Consultants - Other	24,754
Appraisals / Studies / Reports	10,448
Cost Consultant	
Legal and Accounting Fees	591,382
Project Management	
Miss Development Expense	87,269
Development Fee	860,455
Marketing	7,293
Lease-Up Reserve	
Construction Interest	
Tier 1 Mortgage Interest	1,025,770
Interest on Investor Loan	
Tier One Fees	1,469,861
Mortgage Brokerage Fees	105,495
Construction Finance Fees	
Mezz fees	
Investor Mortgage Commissions	
HST	
Development Contingency	
Total Cash required	7,683,896

W.I.P.	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Total		
31-Dec-14	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
CONSTRUCTION %			6.7%	6.7%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	3.1%	100.0%		
Land Costs / Brokerage																		1,945,000		
Land Transfer tax																		32,850		
Development Charges			994,676														994,676	994,676		
Planning Consultant			4,955															20,000		
Realty Tax			6,000	6,000	6,000	6,000	6,000	6,000					6,000	6,000	6,000		8,529	105,000		
Construction Cost			387,040	499,427	521,901	521,901	521,901	521,901	521,901	521,901	521,901	521,901	521,901	521,901	521,901	521,901	229,736	7,491,006		
Underground Parking			373,671	373,671	373,671														1,121,013	
Landscape / Servicing / Siteworks			879,087															220,087	790,173	
Construction Management			34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	510,000	
Construction Contingency			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	300,000	
FF&E																525,000	525,000	1,050,000		
Municipal \ permit Fees			44,879																100,000	
Insurance / Security			44,254																70,000	
Architectural		40,000	40,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	17,456	250,000	
Civil Engineering			4,714																41,000	
Landscape Architect			8,660				8,660					8,660						8,660	41,000	
Mech / Elec. Engineering			7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263									61,000	
Structural Engineering			6,404	6,404	6,404	6,404	6,404	6,404	6,404										61,000	
Interior Design			5,000	5,000	5,000	5,000	5,000	5,000	5,000									2,952	100,000	
Soils / Environmental			8,350																3,200	15,000
Consultants - Other			5,000	5,000	5,000	5,000	5,000	5,000	5,000									9,754	50,000	
Appraisals / Studies / Reports			5,000	5,000	5,000	5,000	5,000	5,000	5,000										24,552	75,000
Cost Consultant			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	75,000	
Legal and Accounting Fees			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,818	200,000	
Project Management																				
Miss Development Expense			2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,731	125,000	
Development Fee			34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	34,303	1,375,000	
Marketing						5,000	5,000	5,000											27,707	150,000
Lease-Up Reserve																			1,000,000	1,000,000
Construction Interest									5,589	9,525	14,451	18,357	22,339	26,371	30,423	34,496	41,178	202,729		
Tier 1 Mortgage Interest		61,109	61,109	61,109	61,109	87,775	87,775	87,775	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	1,373,417	3,816,925	
Interest on Investor Loan																				
Tier One Fees						640,000			320,000										2,429,861	
Mortgage Brokerage Fees																			105,495	
Construction Finance Fees										217,500									217,500	
Mezz fees																				
Investor Mortgage Commissions					240,000														240,000	
HST																			1,820,000	
Development Contingency		24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	24,265	412,500	
Total Cash required	7,683,896	124,373	199,056	2,672,129	1,103,941	2,027,061	784,410	799,071	1,117,744	787,332	985,103	761,189	796,434	806,417	810,449	814,501	1,335,391	4,285,670	27,704,128	

FINANCING:	
Tier 1 Loan Advances	9,166,293
Tier 1 Loan Balance	9,166,293
Interest Per Month	1,025,770
Tier 1 Bonus Interest	
Total Tier Interest on Loan	1,025,770
Investor Loan Advances	
Investor Loan Balance	
Investor Loan Interest	
Construction Mortgage Advance	
Constr. Mortgage Balance	
Interest on Constr. Mortgage	
Opening Bank Balance	
Closing Bank Balance	

W.I.P.	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Total
9,166,293					4,000,000			2,000,000										15,166,293
9,166,293	9,166,293	9,166,293	9,166,293	9,166,293	13,166,293	13,166,293	13,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293	15,166,293
1,025,770	61,109	61,109	61,109	61,109	87,775	87,775	87,775	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	1,272,308
1,025,770	61,109	61,109	61,109	61,109	87,775	87,775	87,775	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	1,373,417
								1,117,744	787,332	985,103	781,189	796,434	806,417	810,449	814,501	1,335,391	4,285,670	
								1,117,744	1,905,076	2,890,179	3,671,368	4,467,802	5,274,219	6,084,668	6,899,169	8,235,560	12,521,290	
								5,589	9,525	14,451	18,357	22,339	26,371	30,423	34,496	41,178		202,729
	1,482,463	1,357,090	1,164,033	1,308,095	2,412,036	439,117	1,223,528	2,016,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599
	1,482,463	1,357,090	1,164,033	1,308,095	2,412,036	439,117	1,223,528	2,016,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599	16,599

Memory Care-OAKVILLE													
Lease Up Analysis													
YEAR 1	75												
Income	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Total Potential Revenue	528,540	528,540	528,540	528,540	528,540	528,540	528,540	528,540	528,540	528,540	528,540	528,540	6,342,480
Number of Residents	4	8	12	16	20	24	28	32	36	40	44	48	
Vacancy %	95%	89%	84%	79%	73%	68%	63%	57%	52%	47%	41%	36%	
Vacancy \$	500,351	472,162	443,974	415,785	387,596	359,407	331,218	303,030	274,841	246,652	218,463	190,274	
Gross Income	28,189	56,378	84,566	112,755	140,944	169,133	197,322	225,510	253,699	281,888	310,077	338,266	2,198,726
EXPENSES:													
Realty Taxes	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
Utilities	5,000	5,000	5,000	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000
Wages	11,096	21,452	27,740	36,987	46,233	51,042	59,549	68,055	76,562	85,069	93,576	102,083	679,445
Benefits	2,219	4,290	5,548	7,397	9,247	10,208	11,910	13,611	15,312	17,014	18,715	20,417	135,889
Food	1,216	2,432	3,648	4,864	6,080	7,296	8,512	9,728	10,944	12,160	13,376	14,592	94,848
Administration	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Supplies	837	1,674	2,511	3,347	4,184	5,021	5,858	6,695	7,532	8,369	9,205	10,042	65,275
Maintenance & Repairs	10,042	10,042	10,042	10,042	10,042	10,042	10,042	10,042	10,042	10,042	10,042	10,042	120,507
Advertising	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,000
Insurance	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
Professional Fees / Licensing	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Management	1,409	2,819	4,228	5,638	7,047	8,457	9,866	11,276	12,685	14,094	15,504	16,913	109,936
Total Expenses	59,736	75,626	86,634	101,192	115,750	124,983	143,653	157,324	170,994	184,665	198,336	212,006	1,630,900
Net Income	-31,548	-19,249	-2,067	11,563	25,194	44,150	53,668	68,187	82,705	97,223	111,741	126,259	567,826
Interest on Construction Loan	62,606	63,582	64,502	65,341	66,115	66,825	67,444	68,018	68,523	68,958	69,322	69,615	800,852
Tier 1 Interest	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	1,213,303
Investor Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Operating Loss	-195,262	-379,202	-546,880	-701,766	-843,796	-967,580	-1,082,464	-1,183,405	-1,270,332	-1,343,175	-1,401,865	-1,446,330	-1,446,330

Memory Care OAKVILLE													
Lease Up Analysis													
YEAR 2													
	75												
Income	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total
Total Potential Revenue	544,396	544,396	544,396	544,396	544,396	544,396	544,396	544,396	544,396	544,396	544,396	544,396	6,532,754
Number of Residents	52	56	60	64	68	71	71	71	71	71	71	71	
Vacancy	31%	25%	20%	15%	9%	5%	5%	5%	5%	5%	5%	5%	
Vacancy	166,948	137,914	108,879	79,845	50,810	29,034	29,034	29,034	29,034	29,034	29,034	29,034	
Gross Income	377,448	406,482	435,517	464,551	493,586	515,362	515,362	515,362	515,362	515,362	515,362	515,362	5,785,117
EXPENSES:													
Realty Taxes	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	154,500
Utilities	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	123,600
Wages	105,782	113,919	116,508	124,275	132,042	138,700	138,700	138,700	138,700	138,700	138,700	138,700	1,563,426
Benefits	21,156	22,784	23,302	24,855	26,408	27,740	27,740	27,740	27,740	27,740	27,740	27,740	312,685
Food	15,808	17,024	18,240	19,456	20,672	21,584	21,584	21,584	21,584	21,584	21,584	21,584	242,288
Administration	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	103,000
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	43,388
Supplies	9,138	9,841	10,544	11,247	11,950	12,553	12,553	12,553	12,553	12,553	12,553	12,553	140,592
Maintenance & Repairs	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	124,122
Advertising	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	82,400
Insurance	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	25,750
Professional Fees / Licensing	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	30,900
Management	18,872	20,324	21,776	23,228	24,679	25,768	25,768	25,768	25,768	25,768	25,768	25,768	289,256
Total Expenses	224,446	237,582	244,059	256,751	269,442	280,034	280,034	280,034	280,034	280,034	280,034	280,034	3,192,520
Net Income	153,002	168,901	191,458	207,801	224,144	235,327	235,327	235,327	235,327	235,327	235,327	235,327	2,592,597
Interest on Construction Loan	69,838	69,928	69,938	69,836	69,652	69,385	69,061	68,735	68,408	68,079	67,748	67,415	828,022
Tier 1 Interest	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	101,109	1,213,303
Investor Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Operating Loss	-1,464,275	-1,466,410	-1,445,999	-1,409,143	-1,355,759	-1,290,925	-1,225,767	-1,160,283	-1,094,472	-1,028,332	-961,861	-895,057	-895,057

Memory Care OAKVILLE									
Stabilized Operating Proforma -		60	Suites						
Revenue	Inflator =	3.00%			LEASE UP				
	Suites	Residents	Daily	Monthly	2016	2017	2018	2019	2020
Private - AL	0	0	147.95	4,500.00	-	-	-	-	-
1 BR - AL	0	0	164.38	5,000.00	-	-	-	-	-
Studio Private - ALZ	45	45	214.36	6,520.00	3,520,800	3,626,424	3,735,217	3,847,273	3,962,691
2 Room Private - ALZ	0	0	243.29	7,400.00	-	-	-	-	-
2 Room Companion - ALZ	15	30	182.14	5,540.00	1,994,400	2,054,232	2,115,859	2,179,335	2,244,715
Rental Revenue	60	75	201.47	6,128.00	5,515,200	5,680,656	5,851,076	6,026,608	6,207,406
2nd Occupant / Service Revenue		25%			-	-	-	-	-
Optional Service Revenue ALZ		15%	30.22		827,280	852,098	877,661	903,991	931,111
Potential Gross Income			231.69	7,047.20	6,342,480	6,532,754	6,728,737	6,930,599	7,138,517
Less Vacancy		5%			317,124	326,638	336,437	346,530	356,926
Effective Gross Income			220.10	6,694.84	6,025,356	6,206,117	6,392,300	6,584,069	6,781,591
Resident Days	26,006	PRD's							
Realty Taxes					150,000	154,500	159,135	163,909	168,826
Utilities		2,000			120,000	123,600	127,308	131,127	135,061
Wages		64.00			1,664,400	1,714,332	1,765,762	1,818,735	1,873,297
Benefits		20.00%			332,880	342,866	353,152	363,747	374,659
Food		10.00			260,063	267,864	275,900	284,177	292,703
Administration					100,000	103,000	106,090	109,273	112,551
Reserves					-	-	-	-	-
Supplies		2.50%			150,634	155,153	159,808	164,602	169,540
Maintenance & Repairs		2.00%			120,507	124,122	127,846	131,681	135,632
Advertising					80,000	82,400	84,872	87,418	90,041
Insurance					25,000	25,750	26,523	27,318	28,138
Professional Fees / Licensing					30,000	30,900	31,827	32,782	33,765
Transportation					25,000	25,750	26,523	27,318	28,138
Misc. Expense		2.00%			120,507	124,122	127,846	131,681	135,632
Management	Incl. HST	5.00%			301,268	310,306	319,615	329,203	339,080
Operating Expenses				57.8%	3,480,258	3,584,686	3,692,206	3,802,972	3,917,062
Net Operating Income				42.2%	2,545,098	2,621,450	2,700,094	2,781,097	2,864,530
Take-out Financing:	<u>Int. rate</u>	<u>Principal</u>	<u>Amort/Yrs</u>	<u>Mthly pay</u>					
Assumed terms =	5.00%	28,929,579	25	169,119					
Annual Principal payments							596,501	627,019	659,099
Annual Interest payments							1,432,932	1,402,414	1,370,335
Annual cash requirement							2,029,433	2,029,433	2,029,433
Cash flow - after financing							670,661	751,664	835,097

DRAFT - for discussion purposes only

Melmon/Care Investments/Kitchener/Ltd
169 Borden Ave - 36 Units / 95 Beds

23-Apr-14

PROJECTS STATUS/ASSUMPTIONS		
Units / Area:	Residents	Suites
Studio - Private	31	31
2 BR - Private	8	8
2 BR - Semi Private	56	28
	95	67
Avg. Net Area per Unit		707.5
Gross Area - Floors 2-4	75%	47,400
Ground Floor / Roof / Basement	25%	15,800
Gross Floor Area - Above grade		63,200

Lot:	
Lot area / hectares	0.2000
Lot area - square feet	43,056
Typical floor	13,143
Lot coverage	30.53%

Parking:	
Parking spaces - proposed	21
Ratio - per unit	31%

Development/Lease-up Schedule:	
Construction start	Jun-14
Construction completion	Aug-15
Lease-up start	Sep-15
Lease-up completed	Sep-17

DEVELOPMENT COSTS	Per GFA	Per Unit	WIP to Mar-14	Balance to Complete	TOTAL
Land Costs:					
Purchase Price	\$35.60	\$33,582	1,921,344	328,656	2,250,000
Land - Transfer tax	0.68	642	21,986	21,014	43,000
Planning consultant	0.47	448	-	30,000	30,000
Really Taxes	1.07	1,007	0	67,500	67,500
Total Land costs	\$37.82	35,679	1,943,330	447,170	2,390,500
Hard Costs:					
Construction Costs	\$155.00	\$146,209	449,342	9,346,658	9,796,000
Parking (surface)	0.60	470	-	31,500	31,500
Landscapa \ Servicing	9.30	8,773	-	587,760	587,760
Furniture, Fixtures & Equip	18.55	17,500	-	1,172,500	1,172,500
Development Fees & Levies	7.95	7,500	-	502,500	502,500
Permit fees	1.98	1,855	-	124,983	124,983
Insurance	1.39	1,311	-	87,846	87,846
Construction Management	9.17	8,648	-	579,388	579,388
Construction Contingency	4.94	4,664	-	312,458	312,458
Total Hard Costs	\$ 208.78	196,939	449,342	12,746,592	13,194,934
Soft Costs:					
Design \ Consulting	\$10.05	\$9,476	2,167	632,735	634,902
Legal	3.16	2,985	16,523	183,477	200,000
Development Management	25.22	23,787	118,871	1,474,879	1,593,750
Marketing	3.16	2,985	8,907	191,093	200,000
Lease up	18.99	17,910	0	1,200,000	1,200,000
Finance	59.03	55,684	7,995	3,722,838	3,730,833
HST - Net of rebates	32.47	30,627	0	2,052,000	2,052,000
Development Contingency	6.05	5,709	-	382,500	382,500
Total Soft Costs	\$158.13	149,164	154,463	9,839,522	9,993,985
Total COSTS:	\$404.74	\$ 381,782	2,547,135	23,032,284	25,579,419

VALUATION/FINANCING			
Revenues	Monthly	Res.	Annual
Studio - Private	\$4,944.00	31	1,839,168
2 BR - Private	\$5,871.00	8	563,616
2 BR - Semi Private	\$4,635.00	56	3,114,720
		95	5,517,504
Optional service revenue		30%	1,655,251
Potential gross income			7,172,755
Less: allowance for vacancy		6%	-430,365
Effective gross income			6,742,390
Operating Expenses		57%	3,864,227
Net Annual Operating Income		43%	2,878,163
Cap rate			7.50%
Valuation at completion of lease up			38,375,507

Profit Calculation	
Valuation at completion of lease up	38,375,507
Project costs	25,579,419
Project profit - at completion of lease up	12,796,087

Take out Financing calculation	
Net Annual Operating Income	2,878,163
Debt coverage ratio	1.40
Income required to service debt	2,055,831
10-year commercial mortgage rate	6.00%
1st Mortgage financing - at Take out	34,263,845

Loan repayment and available cash		
Construction loan	60.9%	15,578,419
Equity and Investor loans	39.1%	10,000,000
Total construction & investor loans	100.0%	25,579,419
1st Mortgage financing - at Take out		34,263,845
Cash available at take out - after repayment of loans		8,684,426

Memory Gate Investments (Kitchener) Ltd.				
	Development Costs	Assumptions	W/P	TOTAL
1	Land Costs			2,250,000
2	Land Transfer tax	21,986	2%	43,000
3	Planning Consultant	0		30,000
4	Realty Tax		2 1.5%	67,500
	Total Land Costs	1,943,330		2,390,500

10	Construction Cost	449,342	\$ 165.00	63,200	9,796,000
11	Surface parking	-	21	1,500	31,500
12	Landscape / Servicing	-		6.0%	587,760
13	PF&E	-	67	17,500	1,172,500
15	Development Charges	-	67	7,500	502,500
14	Permit Fees	-		1.2%	124,983
16	Insurance / Security	-		0.75%	87,846
15	Construction Management	-		5.0%	579,388
17	Construction Contingency	-		3.0%	312,458
20	Architectural	-		3.00%	293,880
21	Civil Engineering	-		0.40%	39,184
22	Landscape Architect	-		0.40%	39,184
23	Mech / Elec. Engineering	-		0.50%	48,980
24	Structural Engineering	-		0.65%	63,674
25	Interior Design	2,167			75,000
26	Cost Consultant	-			75,000
30	Legal and Accounting Fees	16,523			200,000
40	Project Management	-		0.3%	63,750
41	Misc Development Expense	35,537		1.0%	255,000
42	Development Fee	83,334		5.0%	1,275,000
50	Pre-Open/Mktg	8,907			200,000
51	Lease-Up Reserve	-	24	50,000	1,200,000
	Construction Mortgage Interest	-			450,000
	Mezz Mortgage Interest	-			-
	Investor Mortgage Interest	-	12%		1,433,333
	Appraisals / Studies/ Reports	7,995			30,000
	Tier 1 Fees	-		3.0%	300,000
	Brokerage Fees	-		1.0%	100,000
	Financing fees	-		1.50%	217,500
	Mezz fees	-			-
	Investor Mortgage Commissions	-		12.0%	1,200,000
	HST	-		5.4%	2,052,000
	Development Contingency	-		1.5%	382,500
	Total Development Costs	2,547,135			25,579,419

Memorandum Investments (Kitchen) Ltd.													
LEASE UP ANALYSIS													
YEAR													
Income	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Total Revenue	580,320	580,320	580,320	580,320	580,320	580,320	580,320	580,320	580,320	580,320	580,320	580,320	6,963,840
Number of Residents	6	12	18	24	30	36	42	48	54	60	66	72	
Vacancy %	94%	87%	81%	75%	68%	62%	56%	49%	43%	37%	31%	24%	
Vacancy \$	543,668	507,016	470,365	433,713	397,061	360,409	323,757	287,106	250,454	213,802	177,150	140,499	
Gross Income	36,652	73,304	109,955	146,607	183,259	219,911	256,563	293,214	329,866	366,518	403,170	439,821	2,856,840
EXPENSES:													
Really Taxes	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Utilities	10,050	10,050	10,050	10,050	10,050	10,050	10,050	10,050	10,050	10,050	10,050	10,050	120,600
Wages	78,770	78,770	78,770	102,401	102,401	102,401	118,155	118,155	118,155	118,155	118,155	118,155	1,252,444
Benefits	15,754	15,754	15,754	20,480	20,480	20,480	23,631	23,631	23,631	23,631	23,631	23,631	250,489
Food	2,006	4,013	6,019	8,026	10,032	12,038	14,045	16,051	18,058	20,064	22,070	24,077	156,499
Administration	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,000
Reserves	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Supplies	6,819	6,819	6,819	6,819	6,819	6,819	6,819	6,819	6,819	6,819	6,819	6,819	81,825
Maintenance & Repairs	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	98,190
Advertising	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
Insurance	1,667	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	24,583
Professional Fees	2,083	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,833
Management	5,650	5,650	6,212	8,283	10,354	12,425	14,496	16,567	18,637	20,708	22,779	24,850	166,612
Total Expenses	159,315	160,905	163,474	195,908	199,985	204,063	227,045	231,122	235,199	239,276	243,354	247,431	2,507,075
Net Income	-122,663	-87,601	-53,518	-49,301	-16,726	15,848	29,518	62,092	94,667	127,242	159,816	192,391	351,764
Interest on Constr. Mortgage	99,224	100,907	102,395	103,694	104,975	106,074	106,989	107,830	108,486	108,955	109,237	109,331	1,268,098
Investor Mortgage Interest	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	800,000
Mezz Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Operating Loss	-288,554	-543,728	-766,309	-985,970	-1,174,338	-1,331,231	-1,475,369	-1,587,773	-1,668,258	-1,716,838	-1,732,726	-1,716,334	-1,716,334

Memory Care Investments (Kitchener) Ltd													
Leasehold Analysis													
YEAR 2015													
Income	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total
Total Revenue	597,730	597,730	597,730	597,730	597,730	597,730	597,730	597,730	597,730	597,730	597,730	597,730	7,172,756
Number of Residents	74	76	78	80	82	84	86	88	89	89	89	89	
Vacancy	22%	20%	18%	16%	14%	12%	9%	7%	6%	5%	6%	6%	
Vacancy	132,130	119,546	106,962	94,378	81,795	69,211	56,627	44,043	37,751	37,751	37,751	37,751	
Gross Income	465,600	478,184	490,767	503,351	515,935	528,519	541,103	553,686	559,978	559,978	559,978	559,978	6,317,058
EXPENSES:													
Really Taxes	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	123,600
Utilities	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	124,218
Wages	146,040	146,040	146,040	162,266	162,266	162,266	162,266	162,266	162,266	162,266	162,266	162,266	1,898,516
Benefits	29,208	29,208	29,208	32,453	32,453	32,453	32,453	32,453	32,453	32,453	32,453	32,453	379,703
Food	24,746	25,414	26,083	26,752	27,421	28,090	28,758	29,427	29,762	29,762	29,762	29,762	335,738
Administration	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	82,400
Reserves	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	3,433	47,378
Supplies	7,023	7,023	7,023	7,023	7,023	7,023	7,023	7,023	7,023	7,023	7,023	7,023	84,280
Maintenance & Repairs	8,428	8,428	8,428	8,428	8,428	8,428	8,428	8,428	8,428	8,428	8,428	8,428	101,136
Advertising	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	103,000
Insurance	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	20,600
Professional Fees	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	25,750
Management	26,306	27,017	27,728	28,439	29,150	29,861	30,572	31,283	31,639	31,639	31,639	31,639	356,914
Total Expenses	285,148	286,528	287,908	308,760	310,139	311,519	312,899	314,279	314,969	314,969	314,969	314,969	3,677,054
Net Income	180,452	191,656	202,860	194,592	205,796	217,000	228,204	239,408	245,010	245,010	245,010	245,010	2,640,004
Interest on Constr. Mortgage	109,236	109,209	109,117	108,959	108,848	108,672	108,429	108,119	107,742	107,330	106,916	106,499	1,299,076
Investor Mortgage Interest	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	800,000
Mezz Mortgage Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Cummulative Operating Loss	-1,711,784	-1,696,004	-1,668,928	-1,649,962	-1,619,682	-1,578,020	-1,524,912	-1,460,290	-1,389,689	-1,318,676	-1,247,249	-1,175,406	-1,175,406

2014-04-23

DRAFT - For discussion only

Memory Care Investments (Kitchener) Ltd.									
Stabilized Operating Proforma - 67 Suites									
Revenue	Inflator = 3.00%		LEASE UP						
	Suites	Residents	Daily	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5
Private - AL	0	0	115.07	3,500.00	-	-	-	-	-
1 BR - AL	0	0	131.51	4,000.00	-	-	-	-	-
Studio Private - ALZ	31	31	157.81	4,800.00	1,785,600	1,839,168	1,894,343	1,951,173	2,009,709
2 Room Private - ALZ	8	8	187.40	5,700.00	547,200	563,616	580,524	597,940	615,878
2 Room Semi - ALZ	28	56	147.95	4,500.00	3,024,000	3,114,720	3,208,162	3,304,406	3,403,539
Rental Revenue	67	95			5,356,800	5,517,504	5,683,029	5,853,520	6,029,126
2nd Occupant / Service Revenue - AL				25%	-	-	-	-	-
Optional Service Revenue ALZ				30%	1,607,040	1,655,251	1,704,909	1,756,056	1,808,738
Potential Gross Income					6,963,840	7,172,755	7,387,938	7,609,576	7,837,863
Less Vacancy				6%	417,830	430,365	443,276	456,575	470,272
Effective Gross Income					6,546,010	6,742,390	6,944,662	7,153,001	7,367,591
Resident Days	32,595	PRD's							
Really Taxes					120,000	123,600	127,308	131,127	135,061
Utilities		1,800			120,600	124,218	127,945	131,783	135,736
Wages		58.00			1,890,481	1,947,195	2,005,611	2,065,780	2,127,753
Benefits		20.00%			378,096	389,439	401,122	413,156	425,551
Food		11.00			358,540	369,296	380,375	391,786	403,539
Administration					80,000	82,400	84,872	87,418	90,041
Reserves					40,000	41,200	42,436	43,709	45,020
Supplies		1.25%			81,825	84,280	86,808	89,413	92,095
Maintenance & Repairs		1.50%			98,190	101,136	104,170	107,295	110,514
Advertising					100,000	103,000	106,090	109,273	112,551
Insurance					20,000	20,600	21,218	21,855	22,510
Professional Fees					25,000	25,750	26,523	27,318	28,138
Transportation					20,000	20,600	21,218	21,855	22,510
Misc. Expense		0.75%			49,095	50,568	52,085	53,648	55,257
Management	Incl. HST	5.65%			369,850	380,945	392,373	404,145	416,269
Operating Expenses				57.3%	3,751,677	3,864,227	3,980,154	4,099,558	4,222,545
Net Operating Income				42.7%	2,794,333	2,878,163	2,964,508	3,053,443	3,145,046

The Village at Legacy Lane
Condominium Apartment Development
Preliminary Development Budget 80 Units

			Avg. Sale HST in	
Condo Sales	80	75,500	357257	25,292,500
Parking	80	10,000	316156	800,000
Locker Revenue	80	2,500		200,000
Upgrade Revenue	80	20,000		1,600,000
Gross Sales Revenue				27,892,500

Project Costs		
Land	8,125	650,000
Land Transfer Tax		-
Legals Acquisition		-
Total Land Costs		650,000

Development Costs		
Construction Condos	\$120	11,460,000
Garage Lower Level	80	1,760,000
Recreation Area	included in GFA	-
Upgrade Expense	35%	560,000
Site Preparation		60,000
Site Servicing & Landscaping		400,000
Construction Contingency	2%	284,800
Construction Management	3.5%	498,400
Total Hard Costs		15,023,200

Architectural		300,000
Permit Fees	1.20%	137,520
Development Charges	80	680,000
Development Fees	5.00%	1,122,209
Fund Management Fees	0.00%	-
FF&E		50,000
Consultants		55,000
Surveying	80	100,000
Mortgage/Appraisal Fees		201,442
Chartwell Membership	80	288,000
Equity Financing	3,500,000	1,260,000
Equity Commissions		420,000
Tier 1 Fees		105,000
Brokerage Fees		35,000
Construction Mortgage Interest		745,818
Legal/Acctg		150,000
Insurance		60,000
Real Estate Taxes		30,000
Tarion Warranty		-
Marketing Costs	3.00%	758,775
Misc Development Expense		75,000
HST		-
Development Contingency		197,213
Total Soft Costs		6,770,976

Total Development Costs (incl. Land)	22,444,176
Development Profits	5,448,324
Profit per Unit	68,104

KSV KOFMAN INC.
Plaintiff

and

JOHN DAVIES et al.
Defendant

**ONTARIO
DIVISIONAL COURT
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**MOTION RECORD
(Volume 1 of 5)**

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