



**Supplement to the Sixth Report of
KSV Kofman Inc.
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.**

August 8, 2017

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COURT FILE NO: CV-17-11689-00CL

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

IN THE MATTER OF THE RECEIVERSHIP 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 IN THE MATTER OF A MOTION PURSUANT TO SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

**SUPPLEMENT TO THE SIXTH REPORT OF
KSV KOFMAN INC.
AS RECEIVER AND MANAGER**

AUGUST 8, 2017

1.0 Introduction

1. This supplemental report ("Report") is filed by KSV.
2. This Report supplements the Receiver's Sixth Report dated July 12, 2017 (the "Sixth Report").
3. Unless otherwise stated, capitalized terms used in this Report have the meanings provided to them in the Sixth Report.

1.1 Restrictions

1. This Report is subject to the restrictions set out in the Sixth Report.

2.0 Background

1. On July 14, 2017, Davies swore and produced an affidavit in response to the Receiver's Reports and in opposition to the Receiver's motion seeking, among other things, interlocutory injunctive relief as against him and Aeolian.

2. Davies and Aeolian subsequently consented to a further but temporary continuation of the Mareva Order, on a without prejudice basis, to allow for a scheduled hearing process for the Receiver's motion for interlocutory injunctive relief as against Davies and Aeolian.
3. On July 17, 2017, on the consent of the parties, the Court granted an order extending the Mareva Order as against Davies in his personal capacity and Aeolian (the "July 17th Order"). On that day, the Court also granted a Mareva Order as against Davies in his capacity as the trustee of both the Davies Family Trust and the Davies Arizona Trust, Judith Davies, in her personal capacity and in her capacity as trustee of the Davies Family Trust, and Harris, solely in his capacity as trustee of the Davies Family Trust. Copies of the July 17th Order and the endorsement are attached as Appendix "A".
4. In accordance with the terms of the July 17th Order, Davies, in his capacity as the trustee of both the Davies Family Trust and the Davies Arizona Trust, Judith Davies, in her personal capacity and in her capacity as trustee of the Davies Family Trust, and Harris, in his capacity as trustee of the Davies Family Trust, produced asset and liability statements, copies of which are collectively attached as Appendix "B".
5. On July 27, 2017, Davies swore and produced an affidavit to supplement the affidavit he swore on July 14, 2017 in opposition to the Receiver's motion seeking injunctive relief (the "Davies Affidavit" and, collectively with the affidavit sworn by Davies on July 14, 2017, the "Davies Affidavits").

2.1 Purpose of this Report

1. The purpose of this Report is to reply to the Davies Affidavits, including with respect to the following:
 - a) the overall nature of the Davies Developers' syndicated mortgage investment ("SMI") scheme;
 - b) the development management fees paid by the Davies Developers to affiliates of Davies and others;
 - c) the intercompany loans among the Davies Developers;
 - d) the statements which Davies alleges in the Davies Affidavit were made to him by representatives of KSV;
 - e) additional conduct by Davies and related parties; and
 - f) the necessity of continuing the Mareva injunction, on an interlocutory basis, until a final disposition of the proceeding as against Davies in his personal capacity and in his capacity as trustee of both the Davies Family Trust and the Davies Arizona Trust, Aeolian, Judith Davies in her personal capacity and in her capacity as trustee of the Davies Family Trust, and Harris in his capacity as trustee of the Davies Family Trust.

2. This Report does not, for reasons of practicality, address every issue in the Davies Affidavits and the Receiver should not be taken to agree with statements in the Davies Affidavits simply because the Receiver has not replied to each issue or statement raised by Davies in the Davies Affidavits.
3. The Receiver repeats and relies on its Fourth Report and Sixth Report. Nothing in the Davies Affidavits changes any of the Receiver's findings, conclusions or recommendations set out therein. In many respects, the Davies Affidavits, including the emails and memoranda he appends, reinforce the prior findings of the Receiver.

3.0 The Syndicated Mortgage Investment Scheme

1. There are seven projects that are subject to these receivership proceedings - and four others for which Davies raised monies from SMI Investors but are too distressed to be placed into an insolvency process by the Trustee because the value of these entities' assets appear to be insufficient to repay first-ranking third party mortgages owing on those properties. Because the Investors rank behind these mortgagees, any recovery for the Investors of the non-receivership Davies Developers is likely to be nominal, at best¹.
2. The Fourth Report and the Sixth Report provide an overview of the structure of the SMI loans and focus on the flow of funds from the Investors to the Davies Developers, among the Davies Developers and from the Davies Developers to their parent companies, indirect shareholders and other related parties. This section of the Report provides further details about the SMI scheme.
3. For each of the Davies Developers' projects, the applicable Davies Developer raised monies from Investors through SMIs which were sourced by Tier 1 Transaction Advisory Inc. or entities related to Tier 1 (collectively, "Tier 1"). Of the SMI monies raised, approximately 30% was used to pay fees to Tier 1, amounts due to agents who sold the SMI product to Investors, professional costs and to fund a one-year interest reserve (the "Initial Costs").
4. To support the amounts raised, the Davies Developers retained an appraiser, Michael Cane Consultants ("Cane"), to provide an "estimated hypothetical market value of the subject site, assuming it could be developed" [emphasis added]. These appraisals were based on several assumptions, such as: (i) development costs, as estimated by the applicable Davies Developer and as set out in the applicable project pro forma, remaining consistent with the budget; (ii) the necessary planning approvals being obtained in a timely manner; and (iii) the development being commenced in a timely manner.

¹ The Investors were to have a first ranking security interest on the real property of the Davies Developers, subject only to construction financing. There are a few exceptions to this, but not in respect of any of the Receivership Companies (defined in paragraph 5 below).

5. Investors were led to believe that the advances would be fully secured against the real property, including in presentations prepared by Tier 1 which can be viewed on YouTube² and in marketing materials for the projects. As reflected in the table below, each initial SMI fundraise for the Davies Developers that is subject to these receivership proceedings (the "Receivership Companies") significantly exceeded the purchase price of the real property, reflecting that the loans were undersecured from the day they were made. The table reflects that Investor monies were used to acquire the land, as the initial SMI advance and the purchase price are on the same date, in all but one case. None of these projects had any equity from the principals of the applicable Davies Developer.

(unaudited,\$000s) Entity	Purchase Price	Date Property Purchased	SMI Initial Advance	Date of SMI Initial Advance	Loan to Purchase Price Ratio
525 Princess	2,400	Dec 16, 15	5,854	Dec 16, 15	244%
555 Princess	2,000	Oct 20, 15	6,615	Oct 20, 15	331%
Scollard	9,000	Dec 8, 14	11,956	Dec 8, 14	133%
Kitchener	3,950	Feb 25, 14	4,918	Feb 25, 14	125%
Oakville	1,945	Oct 29, 12	2,550	Oct 29, 12	131%
Burlington	2,500	May 17, 13	5,499	May 17, 13	220%
Legacy Lane	650	Oct 2, 12	2,315	Apr 2, 13	356%
	<u>22,445</u>		<u>39,707</u>		<u>177%</u>

6. Attached as Appendix "C" are marketing materials for the Receivership Companies. In promoting the SMIs, the marketing materials indicated that the SMIs were to have first ranking security on the real property, which would only be subordinated to construction financing. Notwithstanding this representation to the public, after raising the SMIs, several of the Receivership Companies³ borrowed funds on a first ranking secured basis against the Receivership Companies' real property. The Trustee Corporations would have been required to subordinate to these mortgages – notwithstanding this representation. Singh is the primary representative of Trustee Corporations.
7. It appears from the Davies Affidavit that in several instances when the Davies Developers faced liquidity problems, Davies would request a fresh appraisal from Cane, which appraisal would then be provided by Davies to Tier 1 to raise more money from Investors. In some instances, the increases in appraised value appear to have been justified by, *inter alia*, spending money on development activities. The marketing materials note that such increases would be "certified by independent quantitative surveys". The Receiver is uncertain if these certifications were obtained, and if so, whether these were consistently obtained. The Receiver has seen no evidence that such certifications were obtained. The Receiver is unaware if Cane has these credentials, but typically these would be provided by a cost consultant who reviews the costs incurred and determines whether they are consistent with budget. To the extent further monies were raised by a Davies Developer based on a fresh

² <https://www.youtube.com/watch?v=09Yt90Afklo>. This video, a Tier 1 promotion, compares a SMI to a traditional bank mortgage secured by real estate. The video highlights, among others, Singh and Davies.

³ Scollard, Kitchener, Burlington and Oakville each have a mortgage ranking in priority to the SMIs.

Cane appraisal, the Davies Developer appears to have routinely advanced such monies to other Davies Developers. Examples of this are provided in the email correspondence between Davies and others provided in Appendix “D” and Appendix “K”.

8. The Receiver believes that the development projects undertaken by the Davies Developers had no prospect of success due to, among other things, a lack of equity capital, the significant Initial Costs and the amounts paid to related parties out of the SMI advances, including to affiliates of Davies, persons related to Davies and others.
9. Davies asserts in the Davies Affidavit that he believes the projects would have been successfully completed and each loan would have been repaid had Tier 1 Mortgage Corporation not been replaced as trustee of the Trustee Corporations by the Trustee. However, at the time the Trustee was appointed, each of the projects was significantly over-levered as the value of the debt substantially exceeded the value of the real property and none of the Receivership Companies had any capital to further advance its project. The cash balance of each of the Receivership Companies on the date the Trustee was appointed is provided below:

(unaudited; \$)	
Entity	Bank Balance
525 Princess	7,657
555 Princess	7,663
Scollard	1,868
Kitchener	233
Oakville	359
Burlington	83
Legacy Lane	25
Total	<u>17,888</u>

10. Certain (and perhaps all) of the Davies Developers were insolvent from the date of the first SMI advance. An example of this is 525 Princess.
11. 525 Princess raised \$6.387 million from Investors, comprised of \$5.854 million on December 16, 2015 and \$533,000 on January 22, 2016. This amount was 263% greater than the purchase price of the real property. By January 28, 2016, 525 Princess had a cash balance of approximately \$111,000 and had not spent any money on development activity. Notwithstanding that it could not advance the project, 525 Princess managed to pay from the SMI proceeds a \$1 million dividend to entities related to Singh, Thompson, Harris and Davies (see Appendix “E”, which discusses this dividend and other matters concerning the illiquidity of the various projects).

12. A summarized Statement of Receipts and Disbursements for 525 Princess for the period December 16, 2015 to January 28, 2016 is provided below.

(unaudited; \$000s)	Amount
Receipts	
Syndicated Mortgage Investment	6,387
Other	14
Total	6,401
Disbursements	
Land	2,131
Broker Commissions	1,086
Interest holdback	511
Professional fees	225
Payments to shareholders	
Dividends	1,000
Other	1,337
Development costs	-
Total	6,290
Cash balance, January 28, 2016	111

4.0 Pro Formas Prepared by John Davies

- Davies claims that the pro formas attached as Exhibit "B" to the Davies Affidavit reflect a genuine estimate of the costs that would be incurred and the fees that would be earned during the development process. The Receiver notes the following issues with the pro formas appended to the Davies Affidavit and therefore questions the extent to which they can and should be relied upon:
 - many of the pro formas reflect an equity injection by the respective Davies Developer. In no case did a Davies Developer make an equity injection⁴;
 - certain of the pro formas fail to account for a significant portion of the Initial Costs, including the pro formas for 525 Princess, 555 Princess and Burlington;
 - the pro formas for 525 Princess and 555 Princess do not appear to reflect the payment of dividends, which were paid from the initial SMI advance for each of these projects;
 - the 555 Princess pro forma reflects mortgage obligations (other than construction financing) ranking in priority to the syndicated mortgage investments even though such senior ranking debt was prohibited under the applicable Loan Agreements;

⁴ Other than Oakville which raised \$1 million from the sale of preferred shares. These shares were sold to individuals who are also Investors.

- the pro forma for 555 Princess contains cells with “#VALUE!”, which means there are errors in the Excel formulas used by Davies. A copy of the pro forma for 555 Princess is attached as Appendix “F”; and
 - Davies had previously provided the Receiver with pro formas. Certain of the pro formas in the Davies Affidavit are different than the ones previously provided. The Receiver is uncertain which pro formas should be relied upon, if any. Certain of the pro formas previously provided have different profit projections due to different revenue and cost assumptions.
2. The Receiver has not retained a consultant to assess the reasonableness of the revenue and costs assumptions used in the pro formas attached to the Davies Affidavit.
 3. On August 1, 2017, the Receiver sent an email to Cane requiring that he provide the Receiver with copies of all appraisals and valuation reports that he prepared in respect of the Receivership Companies and all correspondence with the Receivership Companies and their principals. Cane provided the Receiver with some appraisals (and related pro formas) on August 4, 2017. An initial review of certain of the pro formas provided by Cane indicates that they are not consistent with the ones attached to the Davies Affidavit or the ones Davies previously provided. Additionally, the Receiver has not received any of the requested correspondence from Cane. If this correspondence is not provided forthwith, the Receiver intends to bring a motion in this regard. The Receiver’s email advised Cane of this intention.

5.0 Improper Development Management Fees

1. Davies takes the position that the development management fees paid by the Davies Developers were reasonable and earned. As detailed below, the Receiver has the following issues with these fees:
 - a) the amounts paid do not appear to have been earned or reasonable as they were disproportionate to the development progress of the Davies Developers’ projects; and
 - b) absent the written consent of the Trustee, development management fees are not permitted under the Loan Agreements for Oakville, Kitchener, Burlington, Scollard and Legacy Lane. Development management fees appear to be permissible in respect of the two Princess projects, provided they are reasonable and made in the ordinary course.

2. At paragraph 17 of the Davies Affidavit, Davies states that 57% of the budgeted development management fees across all projects have been paid - notwithstanding that construction has not commenced on any of the Receivership Companies⁵ nor has construction financing been secured⁶. Many of the projects require changes in zoning. For example, the project contemplated to be developed by 525 Princess was intended to be a 12-storey building. It is presently zoned to be no more than four storeys. In the best-case scenario, each of these projects is years from completion, including Burlington, Oakville and Kitchener, which are at the most advanced stages of the development process. Based on the stage of development of the Receivership Companies, the Receiver sees no basis on which nearly 60% of the development management fees should have been paid to date.

3. Davies states in the Davies Affidavit that the development management fees as a percentage of total project costs ranged from 2% (e.g. for Scollard) to 6% (e.g. for Burlington and Kitchener). Development management fees appear to have been paid to affiliates of Davies and others on an accelerated basis, prior to being earned. An example is reflected below in the context of the Scollard development, which had total anticipated project costs of approximately \$73.2 million and total anticipated development management fees of approximately \$1.8 million. Of the total capital raised to-date by Scollard (\$15.946 million), \$846,000 was, according to Davies, used to pay development management fees.⁷ Assuming a correlation between the rate at which project costs are incurred and management fees earned, the Receiver estimates that the earned management fees should have been approximately \$395,000, as reflected below.

	(unaudited, \$000s)
Total estimated project cost	73,159
Project costs to-date	15,946
Costs to-date as a percentage of total estimated project costs	21.8%
Total estimated management fees over project	1,803
Percentage of earned management fees	21.8%
Expected management fees to-date	393
Actual management fees paid	846
Estimated unearned management fees	453

4. Attached as Appendix "G" is a chart setting out, among other things, the total estimated project costs, the total estimated development management fees, the total amount spent on the projects to-date (including as a percentage of total estimated project costs) and the total amount spent on development management fees to date (including as a percentage of total estimated development management fees) for each of the Receivership Companies. The chart reflects that the Receivership Companies have total anticipated project costs of approximately \$248 million and total projected development management fees of \$11.119 million (4.5% of total project costs). Of the \$68.721 million to-date raised by Receivership Companies, \$6.466 million of development management fees has already been paid (9.4% of project costs to-date).

⁵ With the exception of footings and foundations on Burlington.

⁶ With the exception of Scollard, which had signed a Letter of Commitment with Centurion Mortgage Capital Corporation to provide construction financing.

⁷ According to Scollard's books and records, Scollard paid Aeolian \$1.244 million, approximately \$400,000 more than the development management fees reflected in the Davies Affidavit. If the amount in the Davies Affidavit is correct, it is unclear to what the additional \$400,000 paid to Aeolian relates.

Assuming that there is a correlation between project costs and development management fees earned, the Receiver estimates that the management fees earned would be approximately \$3.3 million, meaning that development management fees have been overpaid by approximately \$3.1 million.

5. The issue of the premature (or unearned) payment of development management fees was raised by Singh in an email to Davies dated March 19, 2013, a copy of which is attached as Appendix "H". Singh states:

"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 fees being paid out prior to this is an extreme worry and makes me very uncomfortable. This allows \$3.2M 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)".

6. Under certain of the Loan Agreements, development management fees are also only permitted to be paid to shareholders with the prior written consent of the Trustee. Based on the currently available evidence reviewed by the Receiver, it does not appear that Singh or the Trustee Corporations consented to such payments in writing, in accordance with the terms of the applicable Loan Agreements. Even if Singh agreed in writing to some of these fees, or if he implicitly agreed to some of these fees, it is not clear that he agreed to all of them, and even if he did so, it is unclear if he permitted them to be paid at a rate greater than the development of the project. It is also unclear that he would allow development management fees in respect of one Davies Developer to be paid by another Davies Developer. Even if Singh or the Trustee Corporations did provide written consent, which is not supported by the evidence provided by Davies, such consent would only increase the Receiver's serious concerns regarding Singh's conduct and his participation in this scheme.

6.0 Improper Intercompany Loans

1. As described in more detail in the Fourth Report, over \$17 million was transferred among the Davies Developers. In the Davies Affidavit⁸, Davies attempts to justify the intercompany loans by suggesting that all intercompany loans stayed within the "umbrella" of the organization. For instance, at paragraph 31 of the Davies Affidavit, Davies states that:

"the umbrella nature of the [enterprise] allowed available cash to be deployed through intercompany loans to projects which were short on funds".

⁸ Including a memorandum he appears to have prepared found in Appendix "Q" of the Davies Affidavit which acknowledges the movement of monies.

2. The Receiver has no knowledge of which entities are included in Davies' alleged "umbrella". For example, the Receiver notes that \$3.7 million was advanced from various Davies Developers (including some that are not Receivership Companies) to Rideau, which did not have an SMI and which is owned indirectly by Davies, Thompson, Singh and Harris or individuals related to them. Additionally, loans were made by Davies Developers to TSI, TSSI and/or MCIL, which are parent companies of the Davies Developers and against which the Trustee Corporations have no direct connection or recourse.⁹
3. As discussed in more detail below, such intercompany loans are not permitted under the Loan Agreements and the Receiver is aware of no legitimate or reasonable commercial basis for such intercompany loans. Davies also appears to have been aware of the inappropriate nature of such intercompany loans, yet he continued to cause such loans to be made. For instance, on May 24, 2016, Harris, of Harris + Harris LLP ("Harris LLP"), legal counsel to the Davies Developers, sent an email to Davies wherein he expressly advised Davies that:

"you don't want to be obtaining financing from [Scollard] and then using it to further fund interest payments for other projects."

4. In response to this correspondence, Davies advised Harris that:

"[Scollard] is a good story. Lots of sales. Investors will want this loan. The net \$1.7 million from a \$2.4 million [Scollard] raise will fund 6 months of interest on all projects. I don't see an alternative and time will soon become a factor given the summer slowdown".

A copy of this email correspondence is attached as Appendix "I".

5. Contrary to Davies' assertion in his examination, Harris LLP was counsel to the Davies Developers, not counsel to Singh or to the Trustee Corporations. Under section 2.01 of the Loan Agreements, "Borrower's Solicitors" (i.e. the Davies Developers' solicitors) is defined to mean "Harris + Harris LLP, or such other solicitors that the Borrower may in writing designate". While "Lender's Solicitors" (i.e. the Trustee Corporations' solicitors) is defined to mean "Nancy Elliot, Barrister & Solicitor, or such other solicitors that the Lender may in writing designate", pursuant to delegation agreements between Harris LLP and Nancy Elliot ("Elliot"), certain mortgage administration and facilitation responsibilities were delegated by Elliot to Harris LLP. Collectively, attached as Appendix "J" are copies of the delegation agreements between Harris LLP and Elliot.
6. The Loan Agreements require that funds advanced from Investors be used solely for the project for which the funds were raised. Under the Loan Agreements, intercompany loans would only be permitted with the written consent of the trustee of the Trustee Corporations (i.e. Singh). While Davies has produced email correspondence at Exhibit "P" to the Davies Affidavit which allegedly reflects that Singh and the Trustee Corporations were aware of and consented to the making of intercompany loans, he has failed to include other relevant correspondence relating to this issue. For example, Appendix "K" includes email correspondence between Messrs. Davies and Singh and others, which reflect, among other things, that the

⁹ TSI and TSSI are owned by Aeolian (Davies), 132 (Thompson), RSCG (Singh) and Dachstein (Harris). MCIL is owned by Aeolian and Erika Harris.

Davies Developers were facing a liquidity crisis and they were “*completely tapped out of cash*”¹⁰ on some projects, which necessitated the making of intercompany loans to perpetuate the scheme and avoid defaulting on the loans from the Trustee Corporations. It was paramount to Singh that all interest payments be made, as there would be a confidence crisis among the Investors if that did not happen. This would impact some or all of the Davies Developers and the ability of Tier 1 to continue to raise monies through SMIs.

7. Further, based on the currently available evidence that the Receiver has reviewed, it does not appear that Singh or the Trustee Corporations formally consented to such intercompany loans in writing, in accordance with the terms of the applicable Loan Agreements. Even if Singh or the Trustee Corporations did provide written consent, which is not supported by the evidence provided by Davies, such consent would only increase the Receiver's concerns regarding Singh's conduct and his participation in this scheme.

7.0 Alleged Statement made by Representatives of KSV to Davies

1. In the latter part of 2016, certain of the Davies Developers were considering filing for protection under the *Companies' Creditors Arrangement Act* (“CCAA”) and seeking the appointment of KSV as the court-appointed monitor.
2. Davies alleges in the Davies Affidavit that in late 2016, Mr. Kofman of KSV expressed the view that intercompany loans were permissible if they stayed within the “enterprise” and were made with the consent of the Trustee Corporations. Mr. Kofman never expressed any such view nor made any such comment.
3. At time of the comments attributed to Mr. Kofman, Mr. Kofman had no knowledge of the prior movement of monies among the Davies Developers, all of which occurred before KSV had any involvement with the Davies Developers. Mr. Kofman did not have the requisite information to comment on any of the past activities of the Davies Developers and he did not do so.
4. Given that Mr. Kofman expressed no views about the Davies Developers' past activities, there was nothing for Mr. Goldstein to confirm in the subsequent meeting that took place on February 3, 2017.
5. As the prospective filing entities had no cash, there was a need to secure debtor-in-possession (“DIP”) funding for the CCAA proceedings. As part of structuring the DIP facility, consideration was given to seeking the Court's approval of an intercompany charge to secure any amounts funded by one entity to another. The proposed DIP facility and its attributes would have been subject to secured charges and to Court approval. It is possible that this is the discussion referenced in the Davies Affidavit. In any event, the Davies Developers' application for creditor protection was denied.

¹⁰ Email from Davies to Singh dated August 25, 2014.

8.0 Additional Improper Conduct by Davies and Related Parties

1. Notwithstanding the Mareva Order, Davies and Judith Davies continue to list and market for sale their personal residence. Further to these efforts, on July 18, 2017, they received an offer to purchase the residence. Although the Receiver understands that the offer has not yet been accepted, given all of Davies' and Judith Davies' efforts to date, there are concerns that they may sell the property and further deplete any assets that may be able to satisfy a judgment in this matter. The Receiver also has questions concerning the mortgage on the property.
2. Further, counsel for the Receiver has requested that Davies consent to the Mareva Order being registered on title to the Arizona Property; however, Davies refused to do so. While Davies did maintain his previously given undertaking not to sell or encumber the Arizona Property pending the return hearing for the motion, based on his refusal to consent to the registration of the Mareva Order, and all the other conduct of Davies as described herein and in the Fourth and Sixth Reports, there are concerns that the already depleted misappropriated assets may well continue to be further transferred to frustrate recovery efforts.

9.0 The Necessity of Continuing the Mareva Injunction on an Interlocutory Basis

1. Based on the above and all the other circumstances, including the reasons detailed in the Fourth and Sixth Reports, the Receiver recommends that the Court continue the Mareva Order as against Davies, in his personal capacity and in his capacity as trustee of both the Davies Family Trust and the Davies Arizona Trust, and Aeolian, as well as Judith Davies, in her personal capacity and in her capacity as trustee of the Davies Family Trust, and Harris, solely in his capacity as trustee of the Davies Family Trust, on an interlocutory basis until a final disposition of the proceeding.
2. Davies asserts in the Davies Affidavit that the effect of the receivership and the Receiver's purportedly unwarranted allegations against the Davies Developers and him personally have been harmful and caused him to lose virtually all of his assets; however, as detailed in the Sixth Report, Davies' asset and liability statement reflects that he has no assets and that he has not had any assets since prior to the commencement of the receivership proceeding.

* * *

All of which is respectfully submitted,



KSV KOFMAN INC.

**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**

Appendix “A”

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

THE HONOURABLE

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MONDAY, THE 17th

MR. JUSTICE MYERS

DAY OF JULY, 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. ("**Aelioan**" 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.

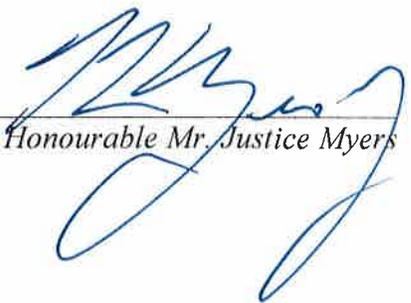
Variation, Discharge or Extension of Order

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: *ca*

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 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

REAL PROPERTY		
MUNICIPAL ADDRESS	PROPERTY PIN	LEGAL DESCRIPTION
		<p>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.</p>

**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#573071)
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

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

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

For kindred attached, order to go.
Despite the Orders set out in the
attached exhibit Mrs Davies is
authorised and ~~allowed~~ allowed
to access all spend up to an
aggregate amount of \$25,000
to return counsel and sustain brief
for the return period.

[Handwritten signature]

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

Sean Zweig (LSUC#573071)
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):	KSV KOFMAN Inc. et al.	<input type="checkbox"/>	Present
	Counsel:		<input type="checkbox"/>	Present
			<input type="checkbox"/>	Duty Counsel
	Respondent(s):	REAL JOHN DAVIES et al.	<input type="checkbox"/>	Present
	Counsel:		<input type="checkbox"/>	Present
			<input type="checkbox"/>	Duty Counsel
	<input type="checkbox"/> Order to go in accordance with minutes of settlement or consent filed.			
<p>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 BE MISAPPROPRIATED AT FIRST BLUSH. WHETHER THAT CONCLUSION CHANGES AS THE MATTER PROCEEDS WILL BE DETERMINED AT A LATER DATE.</p>				
<p>THE Δs 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 WROLLY WITHOUT PREJUDICE TO THE Δs</p>				

1/2

Superior Court of Justice

(Name of Court)

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

(Court office address)

2

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
ADJUSTMENTS THAT THEY MAKE.

THE RECEIVER ASKS TO EXTEND THE ORDER
TO JUSTINA DAVIES PERSONALLY AND SHE AND
TWO OTHERS AS TRUSTEES. THE RECEIVER HAS
DEMONSTRATED THAT FUNDS FROM THE PUBLIC
INVESTORS THAT ARE SUBJECT TO THE CLAIMS
AGAINST US WE 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
AZ. TRUST.

THE TRUST HAS A CLEAR CLAIM UNDER
ONTARIO LAW TO OWNERSHIP 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 PROVES AT TRIAL WERE MISAPPROPRIATED AND USED IN NON-ARMY'S LENGTH TRANSACTIONS SUCH AS FUNDING ONE'S SPOUSE OR HOME.

I AM SATISFIED THAT DESPITE THE DAVIES UNDERTAKING TO HOLD THE AS PROPERTY, AN ORDER SHOULD ISSUE AS SOUGHT BY THE RELIEVER. THE COURT CANNOT PROTECT PUBLIC INVESTORS' ~~SHAREHOLDERS'~~ INTERESTS BY ACCEPTING THE WORDS 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

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
<input type="checkbox"/> Order to go in accordance with minutes of settlement or consent filed.		
<p>ASSETS BY 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. HIS PERSONAL EXPENSES COME FROM THE CORPORATE Δ OR FROM FUNDS GIVEN BY THAT COMPANY TO MRS. DAVIES. Δ SHE IS BUT A FUNNEL THROUGH WHICH INVESTOR FUNDS ARE POURED AS PART OF THE LAUNDERING CYCLES OF CORPORATE SATITIES AND TRUSTS LINKS UP TO PROTECT AND HIDE POTENTIALLY ILL-GOTTEN AND FUNDS. MRS. DAVIES ALSO IN CONCERT WITH MR. DAVIES IN RESPONSE TO THEIR MORTGAGE'S SUPPORTS ENFORCEMENT EFFORTS AND RE-LISTING THEIR Toronto HOME DESPITE THIS COURT'S ORDER. MR. DAVIES SAYS THE REMEDY IS TOO LATE AS HE HAS</p>		

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 ~~IT'S~~ FUNDS (OR PROVED) WITH MRS DAVIES AND THE TRUSTS TO WHICH THEY WERE TITLED. 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 IT'S CLAIMS.

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

12

Superior Court of Justice

(Name of Court)

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

MSG 1E6

(Court office address)

Endorsement

6

Page

Date

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

ORDERS SIGNED AS ABOVE, THE
COURT RESPECTFULLY REQUESTS THE AID
AND RECOGNITION BY THE STATE AND
COURTS OF ARIZONA AND THE FEDERAL
DISTRICT COURTS IN THAT STATE AS THIS
COURT STANDS READY TO RECOGNIZE
OUR NEIGHBOUR'S ORDERS AND PROBLEMS.



Appendix “B”

**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.

Plaintiff

-and-

JOHN DAVIES AND AEOLIAN INVESTMENTS LTD.

Defendants

**AFFIDAVIT OF
GREGORY HARRINGTON HARRIS**

I, Gregory Harrington Harris, of the Township of King, Regional Municipality of York, MAKE OATH AND SAY AS FOLLOWS:

1. I, Gregory Harrington Harris ("**Harris**"), am a trustee of the Davies Family Trust ("**DFT**") and am subject, in my capacity as a Trustee of the DFT, to a Court Order by the Honourable Justice Myers dated July 17, 2017 ("**Order**") in the within matter.
2. I have been provided with a copy of the Order dated July 17, 2017. Attached hereto and marked as **Exhibit "A"** is a true copy of the Order.
3. In response to my obligations pursuant to paragraphs 7 and 8 the Order, I can advise that I am aware of the following assets of the DFT, inclusive of their location:

- (a) 300 shares of McMurray Street Investments Inc., an Ontario corporation which was developing a property in Muskoka, Ontario;
 - (b) a property municipally known as 24 Country Club Drive, King, Ontario;
 - (c) a property municipally known as 220 Parkers Point Road, Gravenhurst, Ontario (which property I understand was sold on April 24, 2017).
4. Further to the immediately preceding paragraph, I am not aware as to the value of any of the assets.
5. I am not aware of any other assets owned by the DFT.
6. I make this Affidavit in response to the Order and pursuant to my obligations as a Trustee of the DFT pursuant to the Order and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on July 20, 2017



Commissioner for Taking Affidavits
Peter V. Matukas



GREGORY HARRINGTON HARRIS

This is Exhibit "A"
to the Affidavit of
GREGORY HARRINGTON HARRIS,
sworn the 20th day of July, 2017.



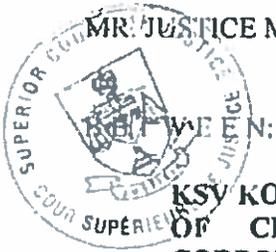
Commissioner for Taking Affidavits
Peter V. Matukas

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

THE HONOURABLE
MR. JUSTICE MYERS

)
)
)

MONDAY, THE 17th
DAY OF JULY, 2017



**KSY 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.

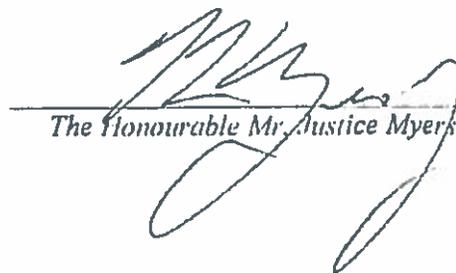
Variation, Discharge or Extension of Order

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 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

REAL PROPERTY		
MUNICIPAL ADDRESS	PROPERTY PIN	LEGAL DESCRIPTION
		<p>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.</p>

**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

**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

KSV KOFMAN INC.
Plaintiff

JOHN DAVIES, et al.
Defendants

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

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

Proceedings commenced at
TORONTO

**AFFIDAVIT OF
GREGORY HARRINGTON HARRIS**

HARRIS + HARRIS LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, ON L4W 4Y6

Peter V. Matukas
LSUC #55898Q
petermatukas@harrisandharris.com
Tel: 905-629-7800
Fax: 905-629-4350

**Lawyers for
Gregory Harrington Harris, Trustee**

**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

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	1,600,000	Ontario
2) Investments Ltd.	unknown	Ontario
	<u>Total Assets</u>	
	<u>1,600,000</u>	

Liabilities

Total Liabilities -

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><u>1,140,000 - 1,490,000</u></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><u>945,997.78</u></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
LSUC #: 31919P
Tel.: (416) 863-4374
Fax: (416) 863-4592
kenneth.kraft@dentons.com

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

Lawyers for the Defendants

**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 JUDITH DAVIES

(Sworn July 24, 2017)

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

1. I am the spouse of John Davies, one of the defendants in the above noted action. I am also a trustee of the Davies Family Trust. As such, I have personal knowledge of the information set out in this affidavit. For convenience, terms which are not otherwise defined in this affidavit have the same meaning as the defined terms in the Affidavit of John Davies sworn on July 14, 2017.
2. I swear this affidavit in opposition to the Receiver's motion seeking certain interim and interlocutory Mareva relief against me, my husband, his holding company Aeolian, the Davies Family Trust and the Davies Arizona Trust.

3. I was not and have never been involved in my husband's development business, and played no active role in any of the development companies that are the subject of this action and of the Receiver's various reports. As such, I have no evidence to provide in respect of the allegations made by the Receiver regarding those companies.

4. I attach as **Exhibit "A"** to my affidavit a statement of my assets and liabilities as at today's date. My only assets are my personal and household effects, and my interest as a discretionary beneficiary of the Davies Arizona Trust. My liabilities include the first mortgage on our home at 24 Country Club Drive, and income tax arrears owing to the CRA in an approximate amount of \$400,000.00. These arrears stem from fees earned by my husband, which were paid to me from Aeolian from time to time in order to reduce my husband's personal income tax burden. All such payments that I received have long since been spent on our living expenses. I have not received any payments from Aeolian or any of my husband's development companies since June 2015.

5. I do not currently have a bank account. I previously had two accounts at TD Canada Trust (a Canadian dollar account and a linked US dollar account), both of which were frozen by the CRA in or about June 2015. The Canadian dollar account was closed in August 2015 by TD with a balance owing of \$319.58. I believe the US dollar account was closed at or around the same time. I also had a bank account at Chase in Maricopa, Arizona which was opened in March 2011. To the best of my knowledge, there has been no activity in that account since January 2014.

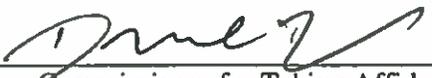
6. These proceedings have created stress and frustration for me, my husband and my family. My husband has been unable to continue with his business and his reputation has been severely

impacted. As a result, we have lost our assets and have been forced to take steps to sell our home. We have had to sell artwork held in the name of our children and I have had to pawn personal belongings in order to fund our day-to-day living expenses. While I recognize that this Court has provided me with a temporary \$25,000 exemption for living expenses, the fact is that we do not have \$25,000 to spend and have no ability to raise this amount in our current circumstances.

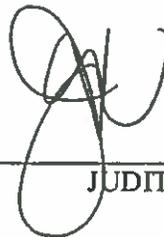
7. In an effort to support my family, I recently began working part-time in a clerical position at a real estate office. I am earning approximately \$22 an hour and have earned one paycheck to date, which I gave to my stepdaughter to cash through her bank account. We used the proceeds of my paycheck to pay our utility bills.

8. In the event that this Court grants the order sought by the Receiver, the Receiver should be required to provide an undertaking as to the damages that we have incurred and continue to incur as a result of these proceedings.

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

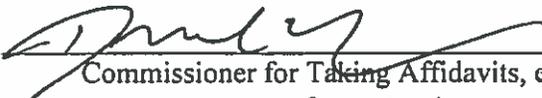


Commissioner for Taking Affidavits
(or as may be)
Michael Burt



JUDITH DAVIES

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



Commissioner for Taking Affidavits, etc.
Michael Beekun

Judy Davies
Assets and Liabilities
as of July 24, 2017

Assets		Value	Location
1)	Household and personal effects	20,000 (est.)	Ontario
2)	Davies Arizona Trust - Discretionary Beneficiary	unknown	Arizona

Total Assets 20,000 (est.)

Liabilities

1)	First Mortgage 24 Country Club	1,050,000 (est.)	Ontario
2)	CRA	400,000 (est.)	Ontario

Total Liabilities 1,450,000 (est.)

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 JUDITH DAVIES
(Sworn July 24, 2017)**

Dentons Canada LLP
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Toronto-Dominion Centre
Toronto, ON M5K 0A1

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Fax: (416) 863-4592
kenneth.kraft@dentons.com

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LSUC #: 58824P
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Fax: (416) 863-4592
michael.beeforth@dentons.com

Lawyers for the Defendants

Appendix “C”

MEMORY CARE OAKVILLE



Architect Rendering

DEDICATED ALZHEIMER'S AND DEMENTIA CARE RESIDENCE

ADDITIONAL FIRST MORTGAGE FINANCING \$2.5 MILLION

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus
- Up to 24-month term
- Cash, RRSP, RESP, TFSA and LIRA eligible
- \$25,000 minimum

OAKVILLE

OAKVILLE



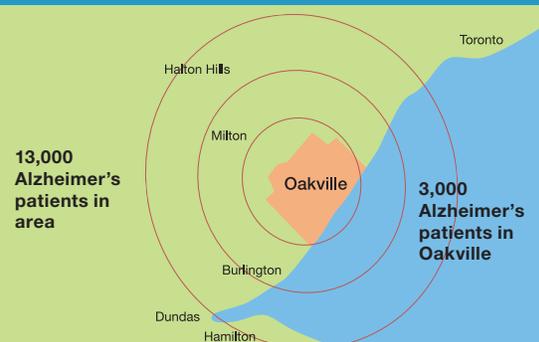
MARKET AND DEMOGRAPHICS

- 11.7% of Oakville's residents are senior citizens, making Oakville one of the most aged (per capita) cities in Canada. On a national basis, 8% of the Canadian population is 65 or older.
- Oakville is part of the GTA and is in Halton Region. Oakville has a population of 200,000 residents, up 10% since 2007. Median household income is \$83,982. The average house price is \$306,209.
- Oakville's average income ranks it in the top 8% in Canada, and it is the 12th wealthiest community in Canada.
- Oakville is rated as the second most liveable city in Canada.
- There are 900,000 persons in the Hamilton and Halton catchment area. That service area includes Burlington, Halton Hills, Milton, Oakville and the east side of Hamilton. (www.alzhh.ca)
- There are 13,000 registered Alzheimer's patients in the Halton Hills catchment area, which includes Oakville. That represents 1.5% of the catchment area's total population. There are 500,000+ registered Alzheimer's patients in Canada. That represents approximately 1.7% of the national population.
- By extrapolation of the catchment area numbers, there are approximately 3,000 persons with Alzheimer's disease living in Oakville. Our facility seeks to house 80 of them.

The Oakville Alzheimer's Society chapter is part of the Alzheimer Society of Hamilton Halton and encompasses the communities of Hamilton, Burlington, Oakville and Dundas.

The area has a population of 900,000 persons and there are 13,000 registered Alzheimer's patients within the service area.

That number is expected to double by 2024.



SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Memory Care Investments Ltd. (Memory Care), the developer of this specialty care facility, through its principals has 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants, each with a proven track record of delivering projects on time and on budget.

SECURITY AND RISK MITIGATION

Mortgage Registration:

The mortgage that will secure the investment by investors will be registered as a first mortgage against the property, in the name of each lender through a nominee trust corporation and in the case of RRSP investors, directly in the name of the RRSP account and the RRSP trustee. The first mortgage will be subordinate only to construction financing. At that point, the syndicated mortgage holders will rank in second position behind the construction lender. No other financing will be permitted to be registered ahead of the syndicated mortgage holders.

Loan to Value Ratio:

The loan to value ratio during development and construction shall not exceed 80% of the completed and stabilized value. Funds will be advanced on a cost-to-complete basis and certified by independent quantitative surveys. The developer has contracted the acquisition of the land and retained the entire consulting team. Design and development have begun in conjunction with Oakville town staff, the immediate neighbourhood and the operations management team.

Nominee Trust Corporation:

A trustee corporation will hold the syndicated mortgage on behalf of each lender, while RRSP accounts will hold the mortgage interest directly. Mr. Raj Singh, officer and director of the nominee corporation, will provide status reports to the lenders throughout the term of the mortgage and will serve as liaison between the lenders and borrower.



THE DEVELOPER

Memory Care Investments Ltd.



John Davies

Memory Care Investments Ltd., the developer of the Oakville Alzheimer's and Dementia Care facility, was founded by John Davies, a founding partner of GenerX Inc., one of Canada's most successful condominium, resort, retail and office developers. John has a wealth of real estate development, construction and finance experience across a broad spectrum of the development industry. For more than 35 years, John has been involved in the acquisition, financing, design, development and construction of real estate development projects across North America, including well-anchored strip centres, retail power centres, seniors' housing, and commercial office, recreation and high-rise residential developments. The development team has significant experience conceiving and successfully executing a wide spectrum of real estate projects resulting in substantial financial returns by implementing innovative design, engineering, construction and marketing strategies. They have developed and built over \$1 billion of real estate assets for their own account and in joint venture partnerships with some of Canada's largest development firms. Projects they have been involved in have won numerous Urban Development, Design and Sustainable Architecture awards, including a Governor General's Award for Design in 1991.

THE FINANCIER

Tier1 Transaction Advisory Services Inc.



Raj Singh is the President and founder of Tier1 Transaction Advisory Services Inc., a firm specializing in financing real estate related projects in Canada.

A senior executive with over 20 years' experience in business services, his responsibilities have included operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.

PROJECT DESCRIPTION

Alzheimer's disease and dementia patients and their families face an impending dilemma in their search for quality, sustainable care in Canada. Victims of the second most feared disease in this country have very few options when it comes to the prospect of finding appropriate housing and care. The governmental agencies charged with finding a solution to the huge shortage of beds and proper care in Canada have been unable to effect a viable solution for a disease that is developing at an unmanageable rate. The problem is getting worse and the disease is affecting Canadians at a younger and younger age every year. There simply are not enough beds in Canada for patients today, let alone in 2024, when there will be over 1 million Alzheimer's-afflicted Canadians.

The majority of Ontario's long-term care facilities are in need of modernizing, so much so that the government has recently initiated stricter compliance standards to combat the systemic problems inherent in the care and housing of dementia patients today. The physical configuration, decor and amenities of existing seniors' facilities are not designed to respond to the specialized requirements of people with Alzheimer's disease. Most facilities do not have capable, trained or well-equipped staff or management.

While some seniors' residence operators in Canada allow limited Alzheimer's patient residency in their facilities, the vast majority of operators are ill-equipped to meet the minimum daily requirements of these special-needs residents. Warehousing of dementia patients is not the answer. Multi-purpose, multi-use seniors' facilities cannot provide a suitable quality standard of care or living environments close to those designed and implemented by **Memory Care**.

The fight against Alzheimer's disease and dementia is upon us. The United States has pioneered new, innovative forms of care and housing. Private-pay, stand-alone, specially designed and constructed facilities are being built throughout the US by specialty national providers, but Canada has lagged far behind our American counterparts. This battle cannot be won by our government alone and the disease is fast outpacing public-sector initiatives, which are too little, too late.

Memory Care facilities are taking the lead in this fight in Canada. **Memory Care** is establishing a nationally recognized standard of care and residency for Alzheimer's and dementia patients and we are meeting this challenge head on by providing quality, private-pay, stand-alone residences for Alzheimer's and dementia patients across Canada.

PROJECT UPDATE

The development team applied for a building permit and submitted architectural plans and specifications to the Town of Oakville in December 2014. The building department has since reviewed the plans and has provided formal comments following its detailed review. Those comments are considered minimal, dealing mostly with exiting requirements, and the team is responding to the Town's concerns. In order to move forward with construction of the building, **Memory Care** is required by the Town of Oakville to pay development charges and servicing connection fees totalling \$1.2 million. In addition, **Memory Care** has made a joint water-main servicing agreement with our northerly neighbour to reduce servicing costs and timing. **Memory Care** paid half of this \$300,000 water-main cost in the fall of 2014. These additional fees, security and servicing costs will be paid out of the upcoming Tier1 advance.

Refinements to the building permit set of drawings have been ongoing since receipt of building department comments and the architects and engineers expect to be in a position to resubmit their final drawings within three weeks. The developer has received a CCDC (Canadian Construction Documents Committee) Construction Management Contract from Leeswood Design Build Contractors. Leeswood has engaged a shoring and excavation subcontractor to prepare an application for an excavation, shoring and foundation permit. Once development charges and other fees are paid to the Town of Oakville, the building permit will be released.



MEMORY



Memory Care Oakville is a specially designed assisted-living facility that enhances quality of life by catering to the specific requirements of people with dementia.

- 78-resident maximum to allow for an unrivalled level of care and treatment
- Highly trained management and personnel
- On-site medical practitioners
- Carefully designed accommodations that include circular routes and corridors without ends, bright and contrasting colours, classical music, indirect lighting, natural light and outdoor spaces to enhance the experience and help create a calm living environment

Location:	NE corner of Lakeshore Road West and Garden Drive, Oakville, Ontario
Zoning:	High-density residential
Site Area:	0.7 acre
Building Size:	61,200 sq. ft.
Height:	4.5 storeys
Parking:	Underground
Units:	60 proposed suites housing 78 residents



Within a generation, the number of Canadians with Alzheimer's disease or other dementia will more than double to between 1 and 1.3 million people.

CARE OAKVILLE

LIMITED-TIME OFFERING

Once the full amount has been raised, the offering is closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA, RESP, TFSA or cash.

Professional Services

Facility Manager and Operator:

Eldercare Consulting Inc.

Quantity Surveyors:

Pelican Woodcliff Inc.

Legal Advisors:

Harris + Harris LLP

Appraisers:

Michael Cane Consultants

Registered Custodian:

Olympia Trust Company

Architects:

Fabiani Architects

Structural Engineers:

SWS Engineering

Site Servicing Engineers:

WMI Engineering

Electrical Engineers:

Tristar Engineering

Landscape:

Terraplan

Planners:

Lucas and Associates

Environmental:

Church and Trought Ltd.

Management Firm –

Tier1 Transaction Advisory Services Inc.

3100 Steeles Avenue East, Suite 902, Markham, Ontario L3R 8T3
tel: 647-748-8437 | fax: 647-689-2374



Tier1 Transaction Advisory Services Inc. advises in the creation and design of mortgage products. Tier1 Advisory's products are distributed through First Commonwealth Mortgage Corporation (FSCO licence #10636) and Tier1 Mortgage Corporation (FSCO licence #12314). Note: Tier1 Transaction Advisory Services Inc. is not a mortgage broker or investment dealer.

Mortgage Brokerages –

First Commonwealth Mortgage Corporation



First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy (FSCO licence #10636). Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Tier1 Mortgage Corporation

Broker: Dave Balkissoon (FSCO licence #12314)

Law Firm –

Harris + Harris LLP



HARRIS + HARRIS LLP
BARRISTERS AND SOLICITORS

Harris + Harris LLP is a very well respected business law firm in the GTA that has lawyers who practise in a variety of business and commercial areas.

Harris + Harris LLP has significant experience in commercial real estate transactions, including real estate financing using syndicated mortgages.

This is not an offer to sell securities. Licensed mortgage agents/brokers close all transactions. All mortgages are closed through First Commonwealth Mortgage Corporation, Financial Services Commission of Ontario (FSCO) licence #10636.

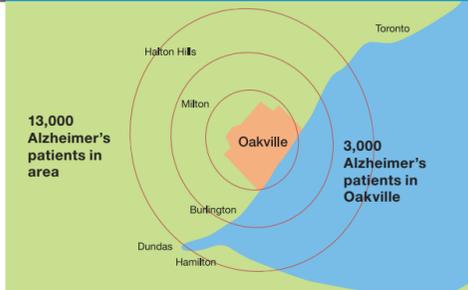
Mortgage investments have risks and may not be suitable for all investors. Potential investors are encouraged to seek independent legal and financial advice before investing.

OAKVILLE



MARKET AND DEMOGRAPHICS

- 11.7% of Oakville's residents are senior citizens, making Oakville one of the most aged (per capita) cities in Canada. On a national basis, 8% of the Canadian population is 65 or older.
- Oakville is part of the GTA and is in Halton Region. Oakville has a population of 200,000 residents, up 10% since 2007. Median household income is \$83,982. The average house price is \$306,209.
- Oakville's average income ranks it in the top 8% in Canada, and it is the 12th wealthiest community in Canada.
- Oakville is rated as the second most liveable city in Canada.
- There are 900,000 persons in the Alzheimer Society of Hamilton and Halton catchment area. That service area includes Burlington, Halton Hills, Milton, Oakville and the east side of Hamilton. (www.alzhh.ca)
- There are 13,000 registered Alzheimer's patients in the Halton Hills catchment area, which includes Oakville. That represents 1.5% of the catchment area's total population. There are 500,000+ registered Alzheimer's patients in Canada. That represents approximately 1.7% of the national population.
- By extrapolation of the catchment area numbers, there are approximately 3,000 persons with Alzheimer's disease living in Oakville. Our facility seeks to house 80 of them.



The Oakville Alzheimer's Society chapter is part of the Alzheimer Society of Hamilton and Halton and encompasses the communities of Hamilton, Burlington, Oakville and Dundas.

The area has a population of 900,000 persons and there are 13,000 registered Alzheimer's patients within the service area.

That number is expected to double by 2024.

LIMITED-TIME OFFERING

Once the full raise is completed, the offering is closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA, RESP, TFSA or cash.

Professional Services

Facility Manager and Operator:
Eldercare Management and Consulting Corp.

Quantity Surveyors:
Pelican Woodcliff Inc.

Legal Advisors:
Harris + Harris LLP

Appraisers:
Michael Cane Consultants

Registered Custodian:
Olympia Trust Company

Architects:
Fabiani Architects

Structural Engineers:
SWS Engineering

Site Servicing Engineers:
WMI Engineering

Electrical Engineers:
Tristar Engineering

Landscape:
Terraplan

Planners:
Lucas and Associates

Environmental:
Church and Trought Ltd.

Management Firm –

Tier1 Transaction Advisory Services Inc.
3100 Steeles Avenue East, Suite 902, Markham, Ontario L3R 8T3
tel: 647-748-8437 | fax: 647-689-2374

TIER1 ADVISORY Tier1 Transaction Advisory Services Inc., advises in the creation and design of mortgage products. Tier1 Advisory's products are distributed through First Commonwealth Mortgage Corporation (FSCO licence #10636) and Tier1 Mortgage Corporation (FSCO licence #12314). Note: Tier1 Transaction Advisory Services Inc. is not a mortgage broker or investment dealer.

Mortgage Brokerages – First Commonwealth Mortgage Corporation

FCMC First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy (FSCO licence #10636). Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Tier1 Mortgage Corporation
Broker name: Dave Balkissoon (FSCO licence #12314)

Law Firm – Harris + Harris LLP

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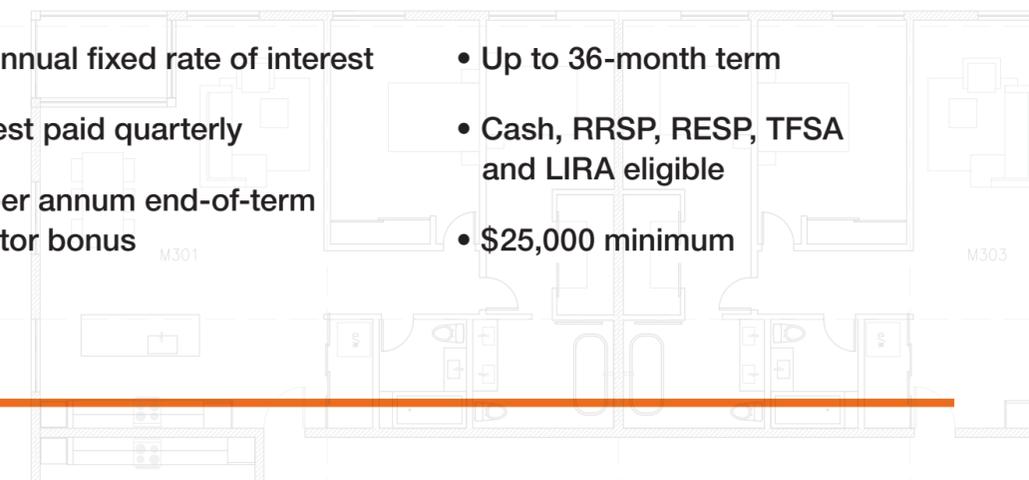
MEMORY CARE OAKVILLE



DEDICATED ALZHEIMER'S AND DEMENTIA CARE RESIDENCE

ADDITIONAL FIRST MORTGAGE FINANCING \$3.5 MILLION

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus
- Up to 36-month term
- Cash, RRSP, RESP, TFSA and LIRA eligible
- \$25,000 minimum



SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Memory Care Investments Ltd. (Memory Care), the developer of this specialty care facility, through its principals has 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants who each has a proven track record of delivering projects on time and on budget.

SECURITY AND RISK MITIGATION

Mortgage Registration:

The mortgage that will secure the investment by investors will be registered as a first mortgage against the property, in the name of each lender through a nominee trust corporation and in the case of RRSP investors, directly in the name of the RRSP account and the RRSP trustee. The first mortgage will be subordinate only to construction financing. At that point, the syndicated mortgage holders will rank in second position behind the construction lender. No other financing will be permitted to be registered ahead of the syndicated mortgage holders.

Loan to Value Ratio:

The loan to value ratio during development and construction shall not exceed 80% of the completed and stabilized value. Funds will be advanced on a cost-to-complete basis and certified by independent quantitative surveys. The developer has contracted the acquisition of the land and retained the entire consulting team. Design and development have begun in conjunction with Oakville town staff, the immediate neighbourhood and the operations management team.

Nominee Trust Corporation:

A trustee corporation will hold the syndicated mortgage on behalf of each lender, while RRSP accounts will hold the mortgage interest directly. Mr. Raj Singh, officer and director of the nominee corporation, will provide status reports to the lenders throughout the term of the mortgage and will serve as liaison between the lenders and borrower.



THE DEVELOPER

Memory Care Investments Ltd.



John Davies
Memory Care Investments Ltd., the developer of the Oakville Alzheimer's and Dementia Care facility, was founded by John Davies, a founding partner of GenerX Inc., one of Canada's most successful condominium, resort, retail and office developers. John's projects have received numerous awards, including a Governor General's Award for design, an ICSC Award of Merit, an ASLA Gold Medal and over one dozen Urban Design Awards. John served as Vice President, Acquisitions and Development, at Markborough Properties Inc., at the time Canada's third largest real estate developer, with assets in excess of \$3 billion. John was responsible for the acquisition, development and lease-up of over \$300 million of Class A office space in major US office markets, as well as overseeing the renovation of the company's 20 million square foot regional shopping centre portfolio in Canada and the expansion of Meadowvale Business Park in Mississauga, Ontario. Since 1995, companies in which John has been a principal have borrowed and re-paid over \$200 million in real estate development financing. John Davies has 30 years of experience conceiving and successfully executing a wide spectrum of real estate development projects resulting in substantial financial returns by employing innovative design, engineering, construction and marketing strategies.

THE FINANCIER

Tier1 Transaction Advisory Services Inc.



Raj Singh is the President and founder of Tier1 Transaction Advisory Services Inc., a firm specializing in financing real estate related projects in Canada.

A senior executive with over 20 years' experience in business services, his responsibilities have included operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.

PROJECT DESCRIPTION

Alzheimer's disease and dementia patients and their families face an impending dilemma in their search for quality sustainable care in Canada. Victims of the second most feared disease in this country have very few options when it comes to the prospect of finding appropriate housing and care. The governmental agencies charged with finding a solution to the huge shortage of beds and proper care in Canada have been unable to effect a viable solution for a disease that is developing at an unmanageable rate. The problem is getting worse and the disease is affecting Canadians at a younger and younger age every year. There simply are not enough beds in Canada for patients today, let alone in 2024, when there will be over 1 million Alzheimer's-afflicted Canadians.

The majority of Ontario's long-term care facilities are in need of modernizing, so much so that the government has recently initiated stricter compliance standards to combat the systemic problems inherent in the care and housing of dementia patients today. The physical configuration, decor and amenities of existing seniors' facilities are not designed to respond to the specialized requirements of people with Alzheimer's disease. Most facilities do not have capable, trained or well-equipped staff or management.

While some seniors' residence operators in Canada allow limited Alzheimer's patient residency in their facilities, the vast majority of operators are ill-equipped to meet the minimum daily requirements of these special-needs residents. Warehousing of dementia patients is not the answer. Multi-purpose, multi-use seniors' facilities cannot provide a suitable quality standard of care or living environments close to those designed and implemented by **Memory Care**.

The fight against Alzheimer's disease and dementia is upon us. The United States has pioneered new, innovative forms of care and housing. Private pay, stand-alone, specially designed and constructed facilities are being built throughout the US by specialty national providers, but Canada has lagged far behind our American counterparts. This battle cannot be won by our government alone and the disease is fast outpacing public-sector initiatives, which are too little, too late.

Memory Care facilities are taking the lead in this fight in Canada. **Memory Care** is establishing a nationally recognized standard of care and residency for Alzheimer's and dementia patients and we are meeting this challenge head on by providing quality, private pay, stand-alone residences for Alzheimer's and dementia patients across Canada.



Location: NE corner of Lakeshore Road West and Garden Drive, Oakville, Ontario

Zoning: High-density residential

Site Area: .7 acre

Building Size: 61,200 sq. ft.

Height: 4.5 storeys

Parking: Underground

Units: 60 proposed suites housing 78 residents



Memory Care Oakville is a specially designed assisted living facility that enhances quality of life by catering to the specific requirements of people with dementia.

- 78-resident maximum to allow for an unrivalled level of care and treatment

- Highly trained management and personnel

- On-site medical practitioners

- Carefully designed accommodations that include circular routes and corridors without ends, soft colours, classical music, indirect lighting, natural light and outdoor spaces to enhance the experience and help create a calm living environment

MEMORY CARE



Within a generation, the number of Canadians with Alzheimer's disease or other dementia will more than double to between 1 and 1.3 million people.

MEMORY CARE OAKVILLE

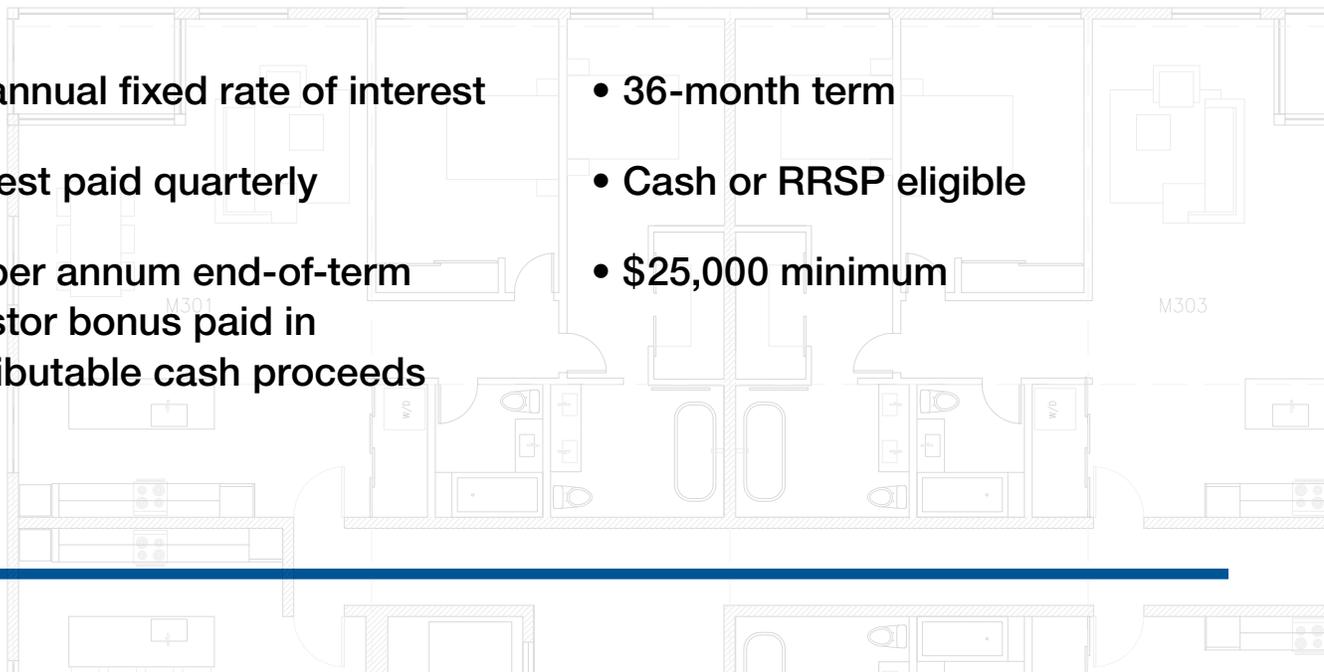
TOWN HOMES AT WHITBY HARBOUR



A MULTI-PHASE MASTER PLANNED RESIDENTIAL COMMUNITY

A WORLD-CLASS INVESTMENT OPPORTUNITY SYNDICATED MORTGAGE

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus paid in distributable cash proceeds
- 36-month term
- Cash or RRSP eligible
- \$25,000 minimum



WHITBY



One of Canada's most diversified and stable economies

Located within the GTA and less than an hour away from downtown Toronto, Whitby is a picturesque, quickly growing community with two gorgeous heritage downtowns. Ideally situated along Lake Ontario, and bisected by Highway 401, Whitby is one of Canada's most diversified and stable economies. Whitby also has one of the fastest growing populations in Canada. The population in 2012 was 127,403 and by 2031 the population is projected to reach 200,000.

Whitby's growing population can be attributed to low land prices. A wide range of housing is available at prices 35–45% lower than elsewhere in the GTA. Competitive industrial land costs are more than 65% lower than in Markham and Mississauga.

With Highway 407 as well as GO Transit service being expanded, living in Whitby has great appeal. These services will also be useful for the students of Durham College and the University of Ontario Institute of Technology, both of which have facilities in Whitby.

Whitby is home to extensive recreation, tourism and cultural facilities, including:

- Iroquois Park Sports Centre
- The Abilities Centre
- Scientific waterfront park
- Marina with 420 slips
- The Whitby Yacht Club
- Thousands of acres of parks, conservation areas and trails
- Golf courses, sports clubs and nearby skiing
- State-of-the-art public library

There are 45 elementary and high schools as well as over 30 medical clinics and five hospitals in the area. Whitby ranks high on lists of best places to raise a family and best places to retire.

Whitby's population is rising because of affordable house pricing, convenient access to highways and public transit, and a wealth of state-of-the-art recreation facilities, parks, waterfront and open space. Residents of Whitby can rest assured they are living in the best area of Durham, which can only continue to flourish.

SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Scollard Development Corporation, the developer of this condominium project, through its principals has 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants who each has a proven track record of delivering projects on time and on budget.

SECURITY AND RISK MITIGATION

Mortgage Registration:

The mortgage that will secure the investment by investors will be registered as a first mortgage against the property, in the name of each lender through a nominee trust corporation and in the case of RRSP investors, directly in the name of the RRSP account and the RRSP trustee. The first mortgage will be subordinated only to construction financing. At that point, the syndicated mortgage holders will rank in second position behind the construction lender. No other financing will be permitted to be registered ahead of the syndicated mortgage holders.

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THE DEVELOPER

Scollard Development Corporation



John Davies

Scollard Development Corporation was formed by John Davies to undertake large, complex residential development projects primarily in the GTA. He has a wealth of real estate development, construction and finance experience across a broad spectrum of the development industry. For more than 35 years, John has been involved in the acquisition, financing, design, development and construction of real estate development projects across North America, including well-anchored strip centres, retail power centres, seniors' housing, and commercial office, recreation and high-rise residential developments. The development team has significant experience conceiving and successfully executing a wide spectrum of real estate projects resulting in substantial financial returns by implementing innovative design, engineering, construction and marketing strategies. They have developed and built over \$1 billion of real estate assets for their own account and in joint venture partnerships with some of Canada's largest development firms. Projects they have been involved in have won numerous Urban Development, Design and Sustainable Architecture awards, including a Governor General's Award for Design in 1991.

THE FINANCIER

Tier1 Transaction Advisory Services Inc.



Raj Singh

Raj Singh is the President and founder of Tier1 Transaction Advisory Services Inc., a firm specializing in financing real estate related projects in Canada. A senior executive with over 20 years' experience in business services, his responsibilities have included operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.



THE ARCHITECT

IBI-Young and Wright Architects



Governor General's Award winning designers IBI-Young and Wright Architects have been retained to conceive the overall community master plan. They are the fourth largest architectural firm in the world, with over 80 offices around the globe employing more than 3,000 people.



Drummond Hassan, a Senior Partner and Director of IBI-Young and Wright Architects, is the architect in charge of the project. He has over 30 years of experience, has received dozens of design awards and has been the architect in charge of many large, successful mixed-use development projects. He has been the architect in charge on over \$2 billion of construction projects around the world. He and his staff are at work preparing detailed building designs for the first phase of the development, which will be built on approximately 1.4 acres. Future phases are envisioned on land to the south and north of the site.

The first phase of development will contain approximately 120 suites in a four-storey building configuration of stacked townhome and luxury condominium suites. Ground-floor suites will have private walkout terraces and the top-floor units will have the option of adding a 250 square-foot roof-top "Lighthouse" along with a 600 square-foot private deck featuring spectacular views of the Yacht Club and Lake Ontario, a five-minute walk away. When fully developed, the project is envisioned to encompass over 800 residential suites and an acre of private parkland, open space and gardens.

THE MARKETING TEAM

pb marketing



Award winning graphic designers and the go-to specialists in the marketing of residential and mixed-use development projects for over 30 years, pb marketing has been retained by Scollard Development Corporation to conceive the overall project identity and direct marketing efforts. Many different concepts for the project's name were considered before the development team selected "Boathaus." This name was selected because the marketing team believes the name will position the project as a waterfront community. Our target purchaser is predominately a young, married professional who will commute to work in Toronto via GO Transit. Our market audience will appreciate young, hip, contemporary building design, the proximity to public transit and Highway 401, the open spaces, parks and shopping within walking distance, and the proximity of the development to Lake Ontario. Web design is underway. We expect to commence marketing in the Summer of 2014.



Clarence Poirier

For over 25 years, Clarence has specialized in the marketing of all aspects of real estate. He has assisted in over \$20 billion of real estate sales, including well over 400 condominium projects, adult lifestyle developments, major residential communities and commercial properties. His involvement with clients such as Tridel, Monarch, Minto and Greenwin has brought him many industry awards.



Architect Rendering

PROJECT DESCRIPTION

Scollard Development Corporation is pleased to announce Boathaus, its newest condominium townhouse development in Whitby, Ontario, one of the fastest growing municipalities in Canada. The three-acre development site is zoned and approved for a mix of housing types. Scollard plans to design and construct the project in two phases. The first phase is a 120-unit, stacked low rise complex on approximately 1.4 acres.

The site is strategically located just south of Highway 401 at the Brock Street exit and less than 300 metres from the Whitby GO station, making the property an ideal residential location for commuters seeking accommodations a short walk from the train. Convenient access to transportation is not this property's only attraction. 500 metres to the south is Whitby Harbour. A picturesque lakeside trail system winds its way east and west from the yacht club through forested areas, sports fields, biking trails and 50 acres of outdoor public amenity space. Iroquois Park Sports Complex is the largest sports-plex east of Toronto and is home to six ice pads, fitness facilities, a gymnasium, an Olympic-sized swimming pool and a community centre, all open to the public and located less than a five-minute walk from the property.

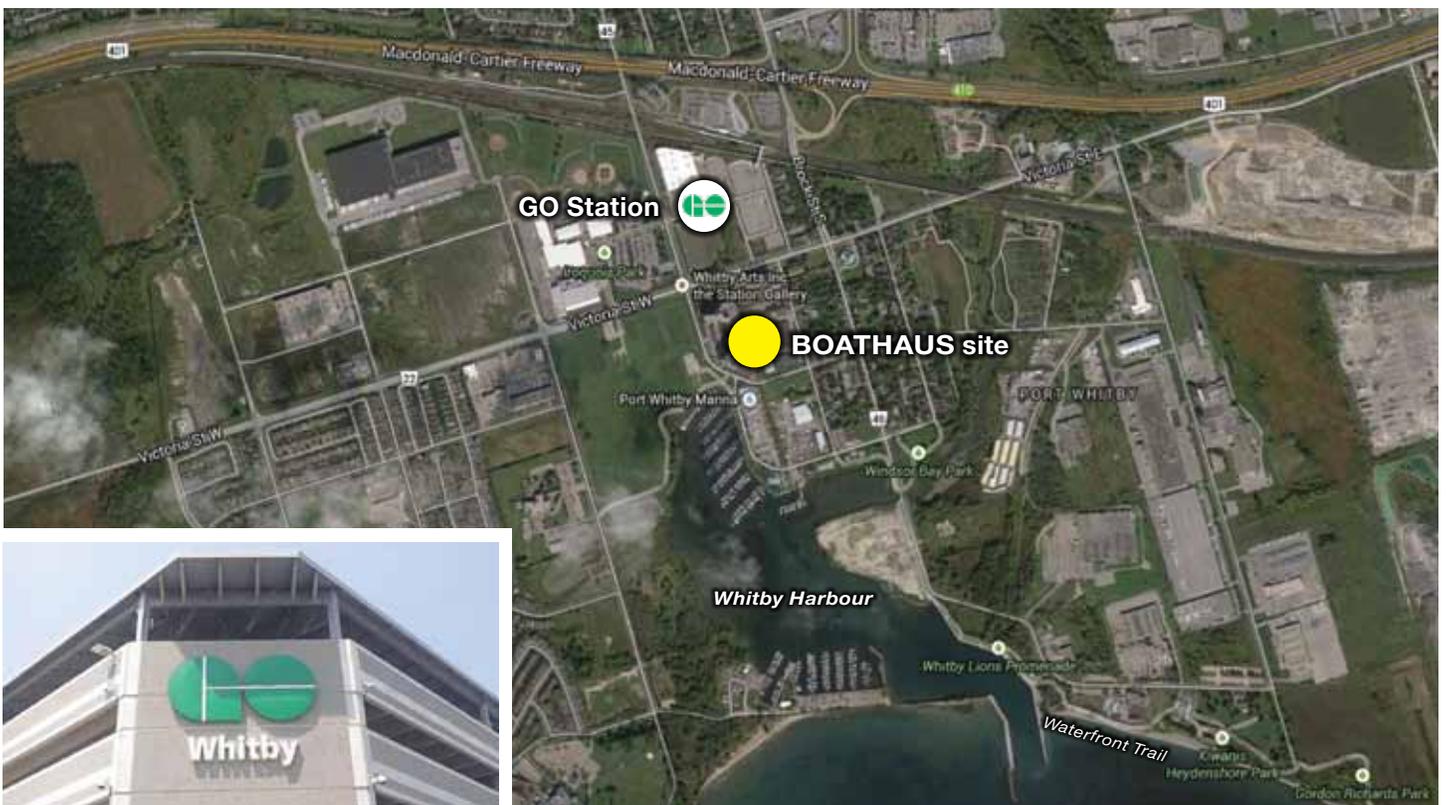
A well-established single-family home residential neighbourhood lies directly east of the property, and three 18-storey condominium towers are situated to the north and west of our site. Sales prices in these buildings are strong and market demand for suites in these buildings remains robust.

Scollard Development believes this site may be one of the best undeveloped residential sites east of Toronto. Market demand for this type of product is high. Sales prices are expected to be above \$400,000 for a 1,000 square-foot suite.



BOATHAUS

YOUR GO TO PLACE IN WHITBY



LIMITED-TIME OFFERING

Once the full amount has been raised, the offering is closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA, RESP, TFSA or cash.

Professional Services

Legal Advisors:

Harris + Harris LLP

Architects:

IBI-Young and Wright Architects

Structural Engineering:

Atkins & Vangroll Ltd.

Appraisers:

Michael Cane Consultants

Planners:

Tunney Planning Inc.

Registered Custodian:

Olympia Trust Company

Landscape:

JVV Ltd.

Management Firm –

Tier1 Transaction Advisory Services Inc.

3100 Steeles Avenue East, Suite 902, Markham, Ontario L3R 8T3
tel: 647-748-8437 | fax: 647-689-2374



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Tier1 Mortgage Corporation

Broker: Dave Balkissoon (FSCO licence #12314)

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525 PRINCESS ST.

BY TEXTBOOK (525 PRINCESS STREET) INC.



KINGSTON

FIRST MORTGAGE FINANCING UP TO \$6.4 MILLION

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus paid from distributable cash proceeds
- 36-month term
- Cash, RRSP, RESP, TFSA and LIRA eligible
- \$25,000 minimum

A UNIQUE OPPORTUNITY FOR INVESTORS. A BETTER LIFE FOR STUDENTS.

It's time to rewrite the book on student housing in Canada.

For decades, moving off-campus often meant living in run-down, sometimes exorbitantly priced apartments or houses. Students settled for poor housing conditions at high prices because it was seen as a virtual post-secondary rite of passage. Going to college or university meant paying a fortune to live in a dump—simple as that.

We figured it was time for a change, but couldn't find a better option. That's when we decided to build one ourselves.

Enter **TEXTBOOK**, a new concept in high-quality, affordable, off-campus student living that delivers a great lifestyle experience for students while offering peace of mind to parents and a lucrative return on investment for buyers.

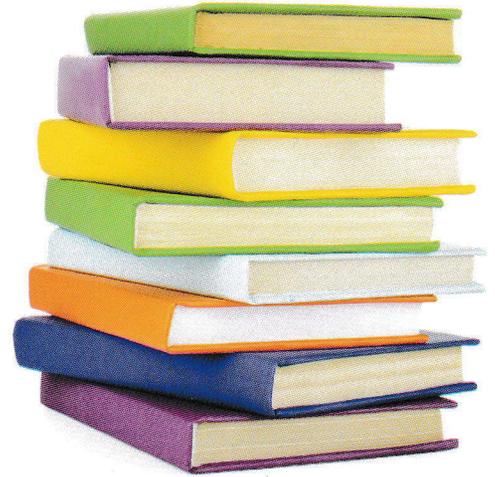
Why now? Simply put, demand for purpose-built student housing is growing at a fast pace and shows no sign of easing.

That's because Canada is in the throes of a student housing crisis thanks to factors such as population growth, a difficult job market that's prompting many graduates to pursue second degrees, and a sharp increase in the number of international students. According to analyst estimates, the country's post-secondary institutions host more than 1 million students, but will soon fall 425,000 beds short. Worse, only 25,000 university beds have been added across the country over the past five years, with 15,000 of them located in Waterloo, Ont. This lack of investment has resulted in huge supply shortages across some of Canada's fastest-growing campuses.

We're filling the gap by leveraging the experience and expertise of our dedicated team of real estate professionals and property managers to construct purpose-built student housing so governments and universities don't have to. Let's just say this isn't your typical rental-income opportunity. Textbook's professionally managed units and one- to three-year rental guarantees ensure immediate and secure cash flow for investors that, at today's interest rates, offers a projected annual return on investment of 40–60%. Best of all, parents serve as our primary leaseholders to help mitigate risk and boost tenant accountability. With prime locations close to campus, transit and other amenities, Textbook (525 Princess Street) Inc. ("Textbook") presents an investment opportunity that any business professor would love.

And this is just the beginning. Our team plans to develop Textbook residences at colleges and universities across the country, providing students with a better standard of living and investors with profitable rental-income prospects along the way.

Call it a **TEXTBOOK** approach to solving Canada's student housing challenges.



- **Only 25,000 university beds have been added over the past five years.**
- **There are more than 1 million post-secondary students across Canada.**
- **If no new residences are built, there will be a shortage of 425,000 beds.**



The time is right to invest in student condos

With the number of enrolled students across Canada on the rise, and the cost of an education reaching new heights, **Matt Elkind** of The Condo Store explains why investors in student rental properties should focus on the high end of the market

For years, investors have identified the student market as a lucrative opportunity. Since 2000, the number of enrolled students across Canada has grown by 44%, reaching more than a million, according to the Association of Universities and Colleges of Canada.

The cost of an education in Canada is also on the rise, and successful investors are aware that they are increasingly renting not to the 'poor student,' but effectively to their wealthy parents, who are more and more prepared to pay a premium to ensure that nothing gets in the way of their children's education.

In fact, the key to building a profitable and manageable student-housing portfolio lies at the high end of the student condo market. Why are these property types such a great option for students and their wealthy parents?

1 Security. The word is music to parents' ears. Student condos and purpose-built apartment buildings have cameras in all common areas, as well as onsite staff, which give parents peace of mind. They also have security systems to control entry, as well as 24/7 video monitoring that protects the premises.

2 Professional property management. Managing 18- and 19-year-olds who are enjoying their first taste of freedom can give landlords a headache worse than a

keg party hangover. But you can eliminate this burden by having a professional property management firm handle your rental property on your behalf.

3 Maintenance. All the maintenance is handled by the condo, including snow removal, gardening and cleaning of the common area.



4 No rent control. There are no rent control provisions on new condo developments.

5 Preferred by the city. Condos are a preferred structure for municipalities. Compared to illegal rooming, this structure ensures the building isn't at risk of being shut down.

6 No unexpected repair costs. A new condo building is covered by Tarion warranty. Long-term repairs, such as new roofs, are covered in maintenance fees.

7 Fewer rooms. Condos typically have fewer rooms than student houses. Fewer rooms mean fewer students per unit, and a lower chance that damage and tenant issues will arise. Fewer roommates are also likely to equal better grades; condos are more desirable than larger houses with more distractions.

8 Furnished is better. Consider furnishing the condo unit. Who really wants to show up for the first day of school with a U-Haul if they don't have to? Also, furniture prevents damage to the unit because most damage occurs during the move.

Pre-construction condos are one of the best ways to invest in student housing. Purchased several years before students apply to schools, investors aren't competing with parents on resale properties. They often come with full rental guarantees and free or low-cost property management, making them a hands-off investment option. ■

MATT ELKIND

is a Toronto-based Realtor and real estate investor who specializes in the pre-construction condominium market. He is a co-founder of Connect Asset Management, as well as the Insider Condo Club, which has become the largest condo-buying syndicate in North America. Contact him at 416-533-5888 or matt@mattelkind.com.



MARKET AND DEMOGRAPHICS

KINGSTON

- Kingston is the second largest city in Eastern Ontario, with a population of 169,606.
- The St. Lawrence River meets Lake Ontario and the Rideau Canal in Kingston.
- Kingston is a stunning historic city – consistently ranking as one of the best places to live in Canada.
- In 2014, Kingston was named one of the Top 7 most intelligent communities in the world by the Intelligent Community Forum.
- Kingston is home to Queen's University, Royal Military College and St. Lawrence College.
- Median household income: \$70,678
- Average household net worth: \$429,549
- Average home price: \$305,924
- Average rental rates in Kingston:
 - Bachelor: \$775/month
 - 1 Bedroom: \$874/month
 - 2 Bedroom: \$973/month
 - 3 Bedroom: \$1325/month

QUEEN'S UNIVERSITY

Queen's is one of Canada's oldest degree-granting universities and has influenced Canadian higher education since 1841, when it was established by a Royal Charter of Queen Victoria. Located in Kingston, Ontario, it is a mid-sized university with several faculties, colleges and professional schools, as well as the Bader International Study Centre located in East Sussex, United Kingdom. Queen's balances excellence in undergraduate studies with well-established and innovative graduate programs.

- Total enrollment in fall 2013 was 24,582 students.
- 95% of the student population comes from outside of Kingston.
- 85% of students live within a 15-minute walk to campus.
- 90% of first-year students live in residence
- Queen's is home to students from more than 120 countries.
- The average grade of incoming first-year students in 2013 was 88.9%.
- Queen's has 17 residences, home to over 3,900 students, meaning only 1 in 6 students can live on campus.
- *Financial Times* ranks Queen's 86th in the World and 3rd in Canada on their 100 Full-Time Global MBA Programs list.
- Queen's ranks 13th for research funding and 9th for research intensity according to Research Infosource's list of the Top 50 Research Universities in Canada in 2012.

PROJECT DESCRIPTION

Founded in 1841, Queen's University remains one of Canada's top post-secondary institutions. Nestled along Lake Ontario in the beautiful city of Kingston, Ontario, consistently ranked as one of the best places to live in Canada, it is no wonder Queen's continues to be a top choice for students around the world. Queen's is currently home to over 24,000 students from more than 120 countries. The university is a top academic institution, with the average grade of students entering first year being 88.9%.

Textbook, a subsidiary corporation of Textbook Student Suites Inc., proposes to construct a new student residence condominium at 525 Princess St. in the heart of downtown Kingston, a short 10-minute walk to the Queen's campus, with public transit available at the doorstep. Textbook is proposing the construction of a 12-storey tower, containing 132 units that will accommodate up to 252 students in a combination of bachelor, 1 bedroom and 2 bedroom suites. This student residence will be complete with many student amenities such as a gym, study rooms, movie room, rec room, rooftop patio, student lounges, etc. throughout the building.

Textbook is located on the northeast corner of Princess St. & Alfred St. Princess St., is the main retail street of downtown Kingston and a very popular spot with students because of its shopping and night life.

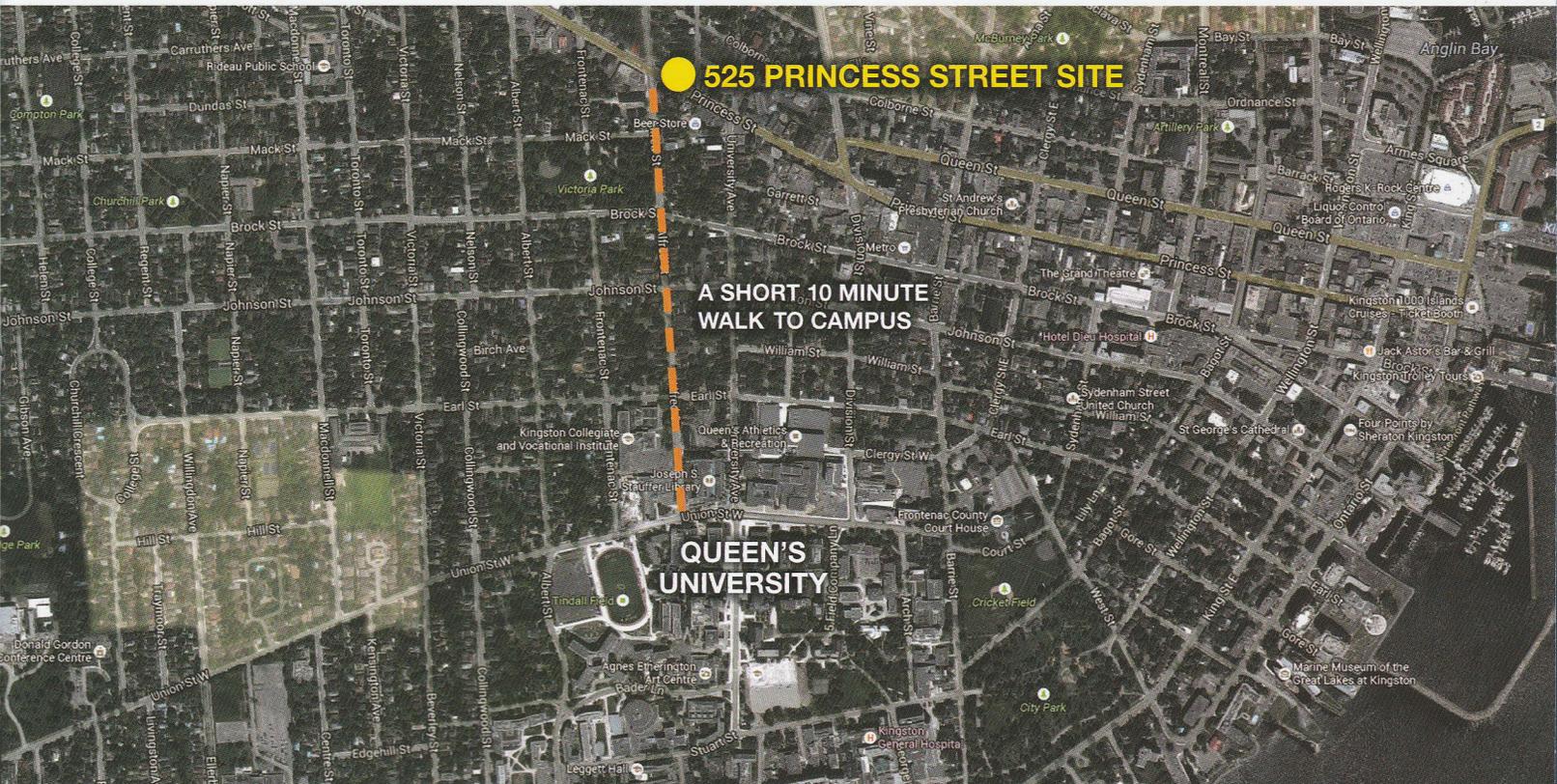
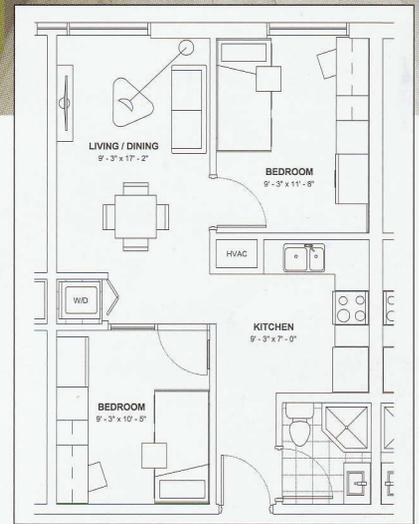
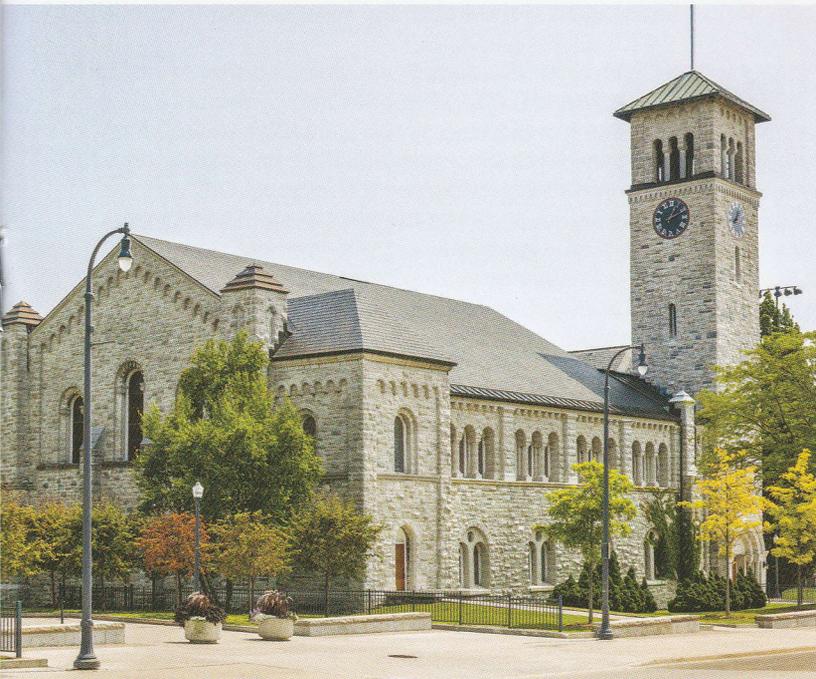
The site lies within the boundaries of the Williamsville Main St. Study Area, a redevelopment initiative of the City of Kingston. The study area is comprised of a 12-block section of Princess St. between Division St. & Bath Rd. This neighbourhood consists mainly of used-car dealerships, car rental agencies, gas stations and vacant lots. The vision for Princess St. is to support this vibrancy with new mixed-use in-fill development and improved streetscape; a perfect location for this Textbook student suite residence.

Student housing is currently at an all-time low across the country, with many universities struggling to house their first-year students, without considering any upper-year students. In 2013, 950,000 full-time students were enrolled at the 82 largest university campuses across Canada. This number has been rising for the past decade and has reached 1 million students. Of these 1 million students, 55% attend universities outside the communities they grew up in, and 10% of full-time students are coming from outside Canada. Therefore, these more than half a million students need places to live. With the exception of Waterloo and Laurier, which just added 9,000 private beds, only 9,000 privately built beds exist for the remainder of the 80 universities across Canada.

Student housing promises to be a growing industry with high rents, low vacancy rates and unlimited potential for investors. During the economic recession of 2008, when most real estate sectors suffered, apartments and student housing in particular maintained occupancy rates and net operating income, and financing remained available.

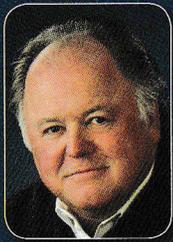
During recessionary times, undergraduate students tend to stay in school longer, while graduates come back to school to upgrade their skills. All of this drives up demand for student housing.

TEXTBOOK 525 PRINCESS ST., KINGSTON, ON



THE DEVELOPER

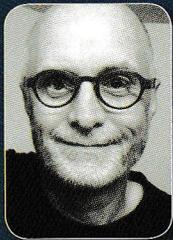
Textbook (525 Princess Street) Inc., Kingston



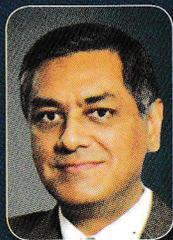
John Davies
Co-President
Textbook
Student Suites Inc.



Walter Thompson
Co-President
Textbook
Student Suites Inc.



Edward Thomas
President
SRM Architects Inc.



Raj Singh
President
Tier 1 Transaction
Advisory Services Inc.

TEXTBOOK Textbook Student Suites Inc.'s portfolio extends across the GTA. The principals of Textbook have over 30 years' experience in the acquisition, financing, design, development and construction of real estate development projects across North America, including well-anchored strip centres, retail power centres, seniors' housing, and commercial office, recreation and high-rise residential developments. The development team has significant experience conceiving and successfully executing a wide spectrum of real estate projects resulting in substantial financial returns by implementing innovative design, engineering, construction and marketing strategies. They have developed and built over \$1 billion of real estate assets for their own account and in joint venture partnerships with some of Canada's largest development firms. Projects they have been involved in have won numerous Urban Development, Design and Sustainable Architecture awards, including a Governor General's Award for Design in 1991.

Co-founders John Davies and Walter Thompson have spent the past three decades integrating the same philosophy into all their planning, management, development and building ventures. Attention to detail in how people live is the most important element of design.

Headquartered in Vaughan, Ontario, Textbook and its development team will continue working with accomplished design professionals whose diverse talents help create exceptional communities with enduring value.

THE FINANCIER

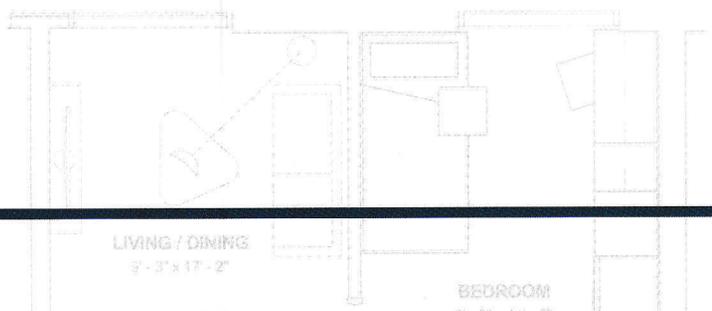
Tier 1 Transaction Advisory Services Inc.



Tier1 Transaction Advisory Services Inc. is a firm specializing in financing real estate related projects in Canada. Its principals have over 20 years' experience in business services; operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj Singh, the president and founder of Tier1, has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.



THE ARCHITECT

SRM Architects



Originally established as Snider Reichard March in 1961, the firm formally changed its name to SRM Architects Inc. in 2006. SRM is committed to building confidence. They give their clients confidence in their ability to produce buildings of quality and value. The firm has a cohesive and productive team providing their clients with the best possible project delivery system. For every project, they assemble a team of consultants whose purpose is to identify the specific needs of the client. This information assists in creating the design, documents and schedule needed to ensure the project is completed successfully. This has been SRM's approach for over 40 years. The firm has received many awards for building excellence, merit, creative design options and outstanding site development. They specialize in office, multi-residential and multi-use buildings and have experience with new construction, additions and adaptive re-use.

THE PROPERTY MANAGER

Domus Student Housing



Domus Student Housing is very excited to have been chosen as the management team for Textbook's 525 Princess St. Kingston property. An award-winning company, Domus brings over 10 years of specialized

experience in student accommodation management to the project. With extensive expertise in Southern Ontario, Domus manages student housing facilities in Kitchener, Cambridge, St. Catharines, Windsor and Toronto. Additionally, they are the largest independent student housing property management firm in Waterloo, with 3,000 rooms and \$270 million in managed assets. Despite a large increase in supply, Domus has maintained a low vacancy rate of 1-2% that has ensured consistent returns for investors. Domus also delivers unparalleled service to their student tenants and maintains their properties to the highest standards.

Domus has brought structure and professionalism to the student housing market. They help guide projects from land acquisition all the way through to handling all facets of the rental process; from advertising for quality tenants to showing properties, collecting deposits and executing leases. As the largest student housing company in Canada, Domus achieves some of the highest performance-driven results in the market because of the diligence and exceptional service they provide.

THE MARKETING TEAM

pb marketing



Award-winning graphic designers and the go-to specialists in the marketing of residential and mixed-use development projects for over 30 years, pb marketing has been retained by Textbook for the 525 Princess St. site to conceive the overall project identity and direct marketing efforts. pb's work includes well over 400 condominium projects, adult lifestyle developments, major residential communities and commercial properties, with clients such as Tridel, Monarch, Minto and Greenwin.

SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Textbook (525 Princess Street) Inc., the developer of this condominium project, through its principals has 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants, each with a proven track record of delivering projects on time and on budget.

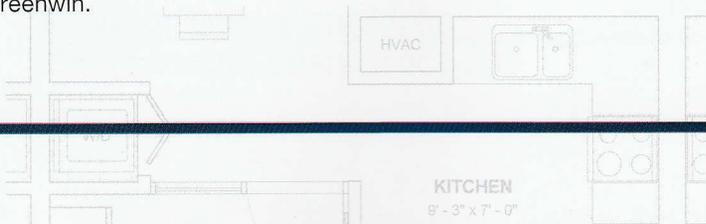
SECURITY AND RISK MITIGATION

The mortgage that will secure the investment by the investors will be registered as a mortgage against the property, in the name of each lender through a nominee trust corporation and in the case of RRSP investors, directly in the name of the RRSP account and the RRSP trustee. The mortgage will be subordinated only to construction financing and any required Tarion warranty bonds/mortgages. At that point, the syndicated mortgage holders will rank in second position behind the construction lender and possibly behind any Tarion bonding company mortgage security.

The developer has contracted the acquisition of the land and retained the entire consulting team. Design and development have begun in conjunction with Kingston city staff, the immediate neighbourhood and the operations management team.

Nominee Trust Corporation:

A trustee corporation will hold the syndicated mortgage on behalf of each lender, while RRSP accounts will hold the mortgage interest directly. Mr. Raj Singh, officer and director of the nominee corporation, will provide status reports to the lenders throughout the term of the mortgage and will serve as liaison between the lenders and borrower.



LIMITED-TIME OFFERING

Once the full amount has been raised, the offering is closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA, RESP, TFSA or cash.

Professional Services

Architect:

SRM Architects

Appraiser:

Michael Cane and Consultants

Sales Agency:

The Condo Store Canada Inc.

Property Manager:

Domus Student Housing

Surveyors:

AGM Surveyors

Planners:

McIntosh Perry

Legal Advisors:

Harris + Harris LLP

Interior Design:

Bryon Patton and Associates

Marketing:

P&B Marketing Ltd.

Management Firm –

Tier1 Transaction Advisory Services Inc.

3100 Steeles Avenue East, Suite 902, Markham, Ontario L3R 8T3
tel: 647-748-8437 | fax: 647-689-2374



Tier1 Transaction Advisory Services Inc. advises in the creation and design of mortgage products. Tier1 Advisory's products are distributed through First Commonwealth Mortgage Corporation (FSCO licence #10636) and Tier1 Mortgage Corporation (FSCO licence #12314).

Mortgage Brokerages –

First Commonwealth Mortgage Corporation



First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy (FSCO licence #10636). Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Tier1 Mortgage Corporation

Broker: Dave Balkissoon (FSCO licence #12314)

Law Firm –

Harris + Harris LLP



HARRIS + HARRIS LLP
BARRISTERS AND SOLICITORS

Harris + Harris LLP is a very well respected business law firm in the GTA that has lawyers who practise in a variety of business and commercial areas.

Harris + Harris LLP has significant experience in commercial real estate transactions, including real estate financing using syndicated mortgages.

This is not an offer to sell securities. Licensed mortgage agents/brokers close all transactions. All mortgages are closed through First Commonwealth Mortgage Corporation, Financial Services Commission of Ontario (FSCO) licence #10636. Tier1 is a creator and designer of mortgage products, but is not itself a mortgage broker.

Mortgage investments have risks and may not be suitable for all investors. Potential investors are encouraged to seek independent legal and financial advice before investing.

MARKET AND DEMOGRAPHICS

KINGSTON

- Kingston is the second largest city in Eastern Ontario, with a population of 169,606.
- The St. Lawrence River meets Lake Ontario and the Rideau Canal in Kingston.
- Kingston is a stunning historic city – consistently ranking as one of the best places to live in Canada.
- In 2014, Kingston was named one of the Top 7 most intelligent communities in the world by the Intelligent Community Forum.
- Kingston is home to Queen's University, Royal Military College and St. Lawrence College.
- Median household income: \$70,678
- Average household net worth: \$429,549
- Average home price: \$305,924
- Average rental rates in Kingston:
 - Bachelor: \$775/month
 - 1 Bedroom: \$874/month
 - 2 Bedroom: \$973/month
 - 3 Bedroom: \$1325/month

QUEEN'S UNIVERSITY

Queen's is one of Canada's oldest degree-granting universities and has influenced Canadian higher education since 1841, when it was established by a Royal Charter of Queen Victoria. Located in Kingston, Ontario, it is a mid-sized university with several faculties, colleges and professional schools, as well as the Bader International Study Centre located in East Sussex, United Kingdom. Queen's balances excellence in undergraduate studies with well-established and innovative graduate programs.

- Total enrollment in fall 2013 was 24,582 students.
- 95% of the student population comes from outside of Kingston.
- 85% of students live within a 15-minute walk to campus.
- 90% of first-year students live in residence
- Queen's is home to students from more than 120 countries.
- The average grade of incoming first-year students in 2013 was 88.9%.
- Queen's has 17 residences, home to over 3,900 students, meaning only 1 in 6 students can live on campus.
- *Financial Times* ranks Queen's 86th in the World and 3rd in Canada on their 100 Full-Time Global MBA Programs list.
- Queen's ranks 13th for research funding and 9th for research intensity according to Research Infosource's list of the Top 50 Research Universities in Canada in 2012.

PROJECT DESCRIPTION

Founded in 1841, Queen's University remains one of Canada's top post-secondary institutions. Nestled along Lake Ontario in the beautiful city of Kingston, Ontario, consistently ranked as one of the best places to live in Canada, it is no wonder Queen's continues to be a top choice for students around the world. Queen's is currently home to over 24,000 students from more than 120 countries. The university is a top academic institution, with the average grade of students entering first year being 88.9%.

TEXTBOOK (555 Princess Street) Inc. ("Textbook"), a subsidiary corporation of Textbook Student Suites Inc., proposes to construct a new student residence condominium at 555 Princess St. in the heart of downtown Kingston, a short 10-minute walk to the Queen's campus, with public transit available at the doorstep. Textbook is proposing the construction of an 11-storey tower, containing 194 units that will accommodate up to 358 students. This student residence will be complete with many student amenities such as a gym, study rooms, movie room, rec room, rooftop patio, student lounges, etc. throughout the building. With the inclusion of these amenities, Textbook is ensuring that each student has the proper tools to succeed while attending university and to live in a beautiful home while doing so.

555 Princess St. is located on the northwest corner of Princess St. & Alfred St. Princess St., is the main retail street of downtown Kingston and a very popular spot with students because of its shopping and night life.

The site lies within the boundaries of the Williamsville Main St. Study Area, which was approved by the City of Kingston in February 2012. The study area refers to a 12-block section of Princess St. between Division St. & Bath Rd./Concession St. This neighbourhood consists mainly of used-car dealerships, car rental companies, gas stations and vacant lots. These, along with abandoned buildings, have been the subject of numerous transportation and parking upgrades, which were recently approved by city council. Princess St. is a vibrant street and with these improvements now spanning the Williamsville community, the future vision for Princess St. is to support this vibrancy with new mixed-use development framing and improved streetscape, perfect for a Textbook Student Suite residence.

Student housing is currently at an all-time low across the country, with many universities struggling to house their first-year students, without considering any upper-year students. In 2013, 950,000 full-time students were enrolled at the 82 largest university campuses across Canada. This number has been rising for the past decade and has reached 1 million students. Of these 1 million students, 55% attend universities outside the communities they grew up in, and 10% of full-time students are coming from outside Canada. Therefore, these more than half a million students need places to live. With the exception of Waterloo and Laurier, which just added 9,000 private beds, only 9,000 privately built beds exist for the remainder of the 80 universities across Canada.

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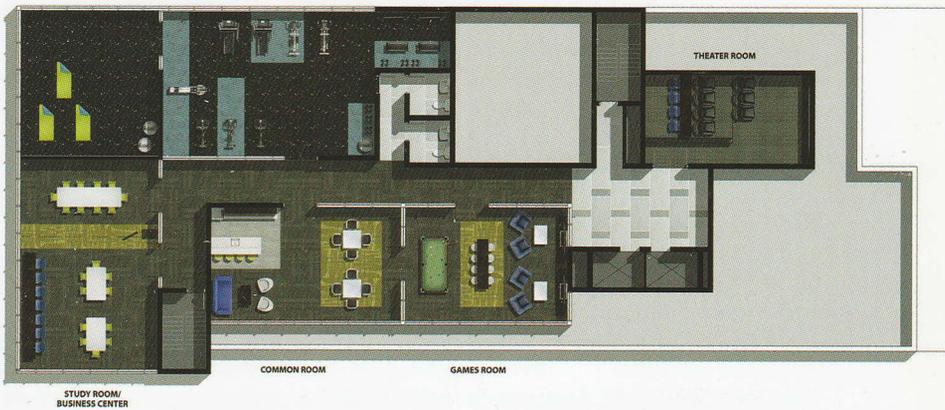
During recessionary times, undergraduate students tend to stay in school longer, while graduates come back to school to upgrade their skills. All of this drives up demand for student housing.

TEXTBOOK 555 PRINCESS ST., KINGSTON, ON



YOGA ROOM

EXERCISE ROOM

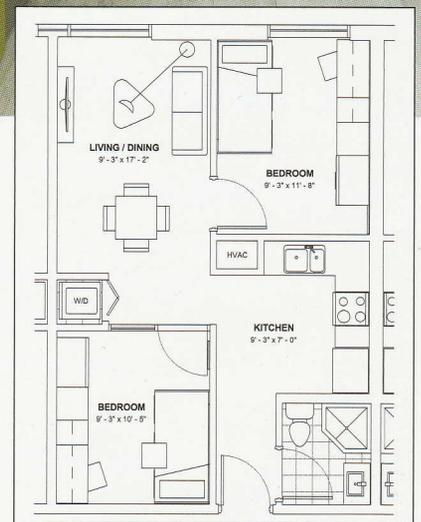


STUDY ROOM/
BUSINESS CENTER

COMMON ROOM

GAMES ROOM

THEATER ROOM



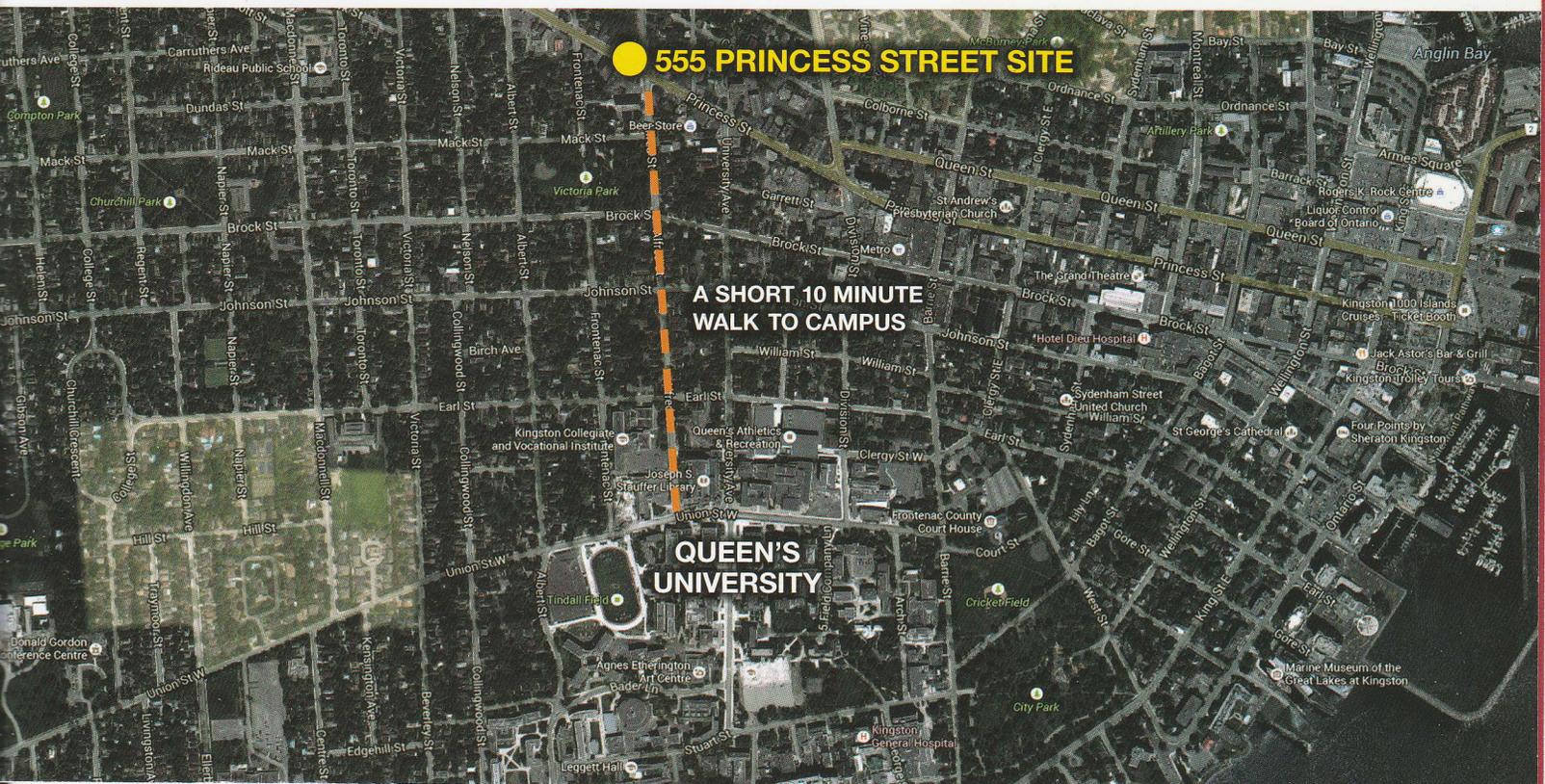
LIVING / DINING
9'-3" x 11'-2"

BEDROOM
9'-3" x 11'-8"

HVAC

KITCHEN
9'-3" x 7'-0"

BEDROOM
9'-3" x 10'-5"



555 PRINCESS STREET SITE

**A SHORT 10 MINUTE
WALK TO CAMPUS**

**QUEEN'S
UNIVERSITY**

555 PRINCESS ST.

BY TEXTBOOK (555 PRINCESS STREET) INC.



KINGSTON

FIRST MORTGAGE FINANCING UP TO \$8.0 MILLION

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus paid from distributable cash proceeds
- 36-month term
- Cash, RRSP, RESP, TFSA and LIRA eligible
- \$25,000 minimum

MUSKOKA



HUNTSVILLE FACTS

- Huntsville is a magnet for and home to many acclaimed visual artists. Famed Canadian artist Tom Thomson and his successors, the Group of Seven, painted here frequently. Huntsville boasts a Group of Seven Outdoor Gallery with over 40 outdoor murals celebrating the work of these Canadian icons. Local community visual arts group The Huntsville Art Society hosts many annual shows, exhibits and skills-sharing workshops throughout the year.
- Huntsville has a new municipal centre and performing arts theatre, the Algonquin Theatre. The theatre provides space for local dance, music and school activities.
- Huntsville was home to the 2010 G8 Summit, with world leaders gathering at Deerhurst Resort.
- Huntsville has recently begun strengthening its relationships with post-secondary educational institutions, including the University of Waterloo and the Northern Ontario School of Medicine.
- Muskoka is recognized for its lakes and spectacular scenery and for its boating, fishing, laid-back lifestyle and spectacular cottages.
- Huntsville offers a full-service geriatric hospital, plus Muskoka Algonquin Healthcare, wellness centres and nurse-practitioner led clinics.
- The Village at Legacy Lane is highly anticipated within the local community. The developer expects that 50% of the condominium sales will come from within the Muskoka region and that the balance will be sold to active seniors looking to retire to a community known for its beauty as well as its quaint historic charm.
- Less than two hours north of Toronto in the heart of Muskoka – The Village at Legacy Lane.



“#1 Summer destination in the world, 2011”
 “One of the best trips in the world, 2012”
 –National Geographic Traveler Magazine

LIMITED-TIME OFFERING

Once the full amount of the offering has been raised, the offering will be closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA or cash.

Professional Services

Quantity Surveyors:
Pelican Woodcliff Inc.

Legal Advisors:
Harris + Harris LLP

Project Insurance:
INTACT Insurance

Appraisers:
Michael Cane Consultants

Registered Custodian:
Olympia Trust

Architects:
MCL Architects

Structural Engineering:
SWS Engineering

Mechanical and Electrical:
Tristar Engineering

Site Servicing Engineers:
Pinestone Engineering Ltd.

Planners:
Planscape

Environmental:
Church and Trought Ltd.

MANAGEMENT FIRM

Tier 1 Transaction Advisory Services Inc.
3655 Kingston Road, Scarborough, ON M1M 1S2
tel: 647-748-TIER (8437) | fax: 647-748-8438 | www.tier1advisory.com

TIER1 ADVISORY Tier 1 Transaction Advisory Services Inc. is the creator, provider and administrator of syndicated second mortgages, also known as principal secured mortgages. The syndicated mortgage is an FSCO-regulated investment, requiring a full team of professional support services to complete each syndicated mortgage transaction.

MORTGAGE BROKERAGES

First Commonwealth Mortgage Corporation

FCMC First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy, FSCO license #10636. Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Tier 1 Mortgage Corporation

LAW FIRM

Harris + Harris LLP
Lawyers – Mark Swartz and Greg Harris

HARRIS + HARRIS LLP Harris + Harris LLP is a very well respected business law firm in the GTA that has lawyers who practise in a variety of business and commercial areas.

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LEGACY LANE
INVESTMENTS LTD.

TIER1
ADVISORY

THE VILLAGE AT LEGACY LANE



A WORLD-CLASS INVESTMENT OPPORTUNITY SYNDICATED MORTGAGE

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus paid in distributable cash proceeds
- 36-month term
- Cash or RRSP eligible
- \$25,000 minimum

SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Legacy Lane Investments Ltd., the developer of this condominium project, through its principals has over 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants who each has a proven track record of delivering projects on time and on budget.

SECURITY AND RISK MITIGATION

Mortgage Registration:

The mortgage that will secure the investment by investors will be registered as a first mortgage against the property, in the name of each lender, through a nominee trust corporation and in the case of RRSP investors, often through their financial institution. The first mortgage will be subordinated only to construction financing, once the developer has achieved sufficient pre-sale commitments from bona fide purchasers to permit the construction phase of the project to proceed. At that point, the syndicated mortgage holders will rank in second position behind the construction lender. No other financing will be permitted to be registered ahead of the syndicated mortgage holders.

Loan to Value Ratio:

The loan to value ratio is approximately 80%. The developer has funded the acquisition of the land and has retained and paid the architects, engineers, surveyors, appraisers, landscape architects, market research advisors, marketing/sales consultants and land planners. Clearing of the site is to begin shortly and has been approved by the Town of Huntsville.

Cost Control, Project Monitoring and Payments to the Developer:

Pelican Woodcliff Inc. will provide rigorous cost monitoring and quantity surveying services, including certification of loan payment amounts and cost-to-complete summaries, prior to any payment by the construction lender to the developer to ensure budget compliance. Pelican Woodcliff is recognized as one of Canada's most reputable project managers.

Nominee Trust Corporation:

A trustee corporation will hold the syndicated mortgage on behalf of each lender (other than RRSP investors, for whom mortgages are usually registered in the name of their financial institution). Mr. Raj Singh, an officer and director of the nominee corporation, will provide status reports to the lenders throughout the term of the mortgage and will serve as a liaison for the lenders in any dealings with the borrower.

THE DEVELOPER

Legacy Lane Investments Ltd.



Bruce W. Stewart, the President of Legacy Lane Investments Ltd., is a nationally recognized designer and developer of numerous very successful seniors' housing developments. Bruce has a proven 25-year track record of real estate management experience, including many years as a senior executive in two Canadian financial institutions, where he was primarily responsible for overseeing development and construction financing to seniors' housing developer clients. Bruce has joint ventured and partnered with many of this country's leading seniors' housing providers. Bruce has designed and developed over 1,200 retirement suites in Ontario.



John Davies, the Vice President of Legacy Lane Investments Ltd., has over 30 years of development experience. For 11 years, he was President of Land Concepts Ltd., a leading real estate development consulting firm with 30 professionals who provided development consulting services to many of Canada's best-known real estate developers. In 1989, John joined Markborough Properties as Vice President, Development and Acquisitions. At the time, Markborough was one of Canada's largest real estate developers, with over \$3 billion in assets. In 1996, with two partners he formed GenerX Inc., a boutique real estate development company specializing in well-conceived, market-responsive projects developed on time and on budget. GenerX developed over \$200 million in bond-quality real estate assets for its own account.

THE FINANCIER

Tier 1 Transaction Advisory Services Inc.



Raj Singh is the President and founder of Tier 1 Transaction Advisory Services Inc., a firm specializing in financing real estate related projects in Canada.

A senior executive with over 20 years' experience in business services, his responsibilities have included operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.

PROJECT DESCRIPTION

The final phase of the Legacy Lane development in scenic Huntsville, Ontario, is **The Village at Legacy Lane**, an 80-suite, four- and five-storey condominium building specifically designed to appeal to active seniors and retirees.

The first phase of development and the cornerstone of the Legacy Lane development was Chartwell's Muskoka Traditions, one of Ontario's finest supervised seniors' retirement living facilities, owned and operated by Chartwell Seniors Housing REIT, one of Canada's largest and most reputable provider of seniors' retirement accommodations.

The Village at Legacy Lane is nestled among four acres of granite outcroppings and surrounded by tall pines and municipal greenbelt forest. The rural setting of The Village is unique as it is only a short walk to a major commercial development offering groceries, a department store, a bank and restaurants.

Owners at **The Village at Legacy Lane** are able to enjoy the pride of ownership that comes from owning their own two-bedroom condominium suite but, if desired, have the opportunity to participate in the many social and other peace of mind amenities offered through their unique membership in The Chartwell Club, which provides an exclusive opportunity for our residents to utilize the multiple services, dining, social activities, outings, nursing and health care options offered to residents in the neighbouring Chartwell Muskoka Traditions seniors' building.

The project's scale, amenities, suites and outdoor living spaces have been designed by Legacy Lane Investments Ltd., whose principals have decades of experience conceiving first-class living environments for active seniors, including the neighbouring Chartwell Muskoka Traditions seniors' facility.

Sales strategies are targeted to "lock and leave" independent seniors who desire the Muskoka lifestyle, scenery, amenities and quality of life the small town of Huntsville is known for. World-class resorts (Deerhurst), golf courses and fine dining are minutes away. Our target market purchasers are active seniors, not yet ready to reside in a seniors' facility but who, as they age, will be able to take advantage of the facilities and quality care options available in Chartwell's neighbouring Muskoka Traditions facility through their membership in The Chartwell Club.

Construction of the first phase of **The Village at Legacy Lane** is scheduled to begin in the fall of 2013. The property has been purchased by the developer, and zoning and planning approvals have already been received. Huntsville Mayor Claude Doughty has written a glowing letter of endorsement. Mayor Doughty was instrumental in bringing the G8 World Summit to Huntsville in 2010, which focused the world's attention on Huntsville and Muskoka.



OFFICE OF THE MAYOR

October 17, 2012

Mr. Bruce Stewart
Legacy Lane Investments Ltd.
75 Dufflaw Rd. Suite 203
Toronto, ON M6A 2W4

Dear Bruce
It is a pleasure to provide this letter of support for your seniors housing complex. This development supports the 2011 Huntsville Community Master Plan in that it attracts private sector business and new residents. Your project will also contribute to the municipality's excellent low property tax rate.

Over the next 20 years the number of seniors relocating to Muskoka is predicted to grow substantially. This growth will support the service, retail and health sectors in our community. The development of this property complements the neighbouring properties and will help address the high demand for various types of senior accommodation.

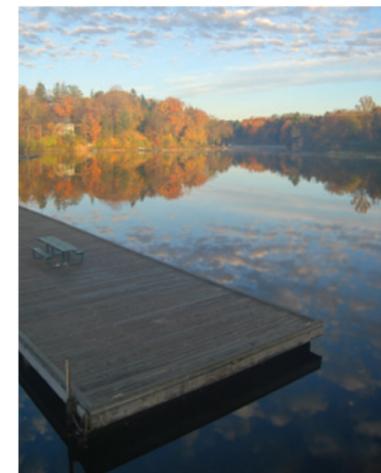
The Town of Huntsville Council has endorsed planning approvals to date and we look forward to your project's completion.

Yours truly

Mayor Claude Doughty



37 Main Street East, Huntsville, Ontario P1H 1A1
705-789-1751 1-888-696-4255 Fax 705-789-6689 TTY 705-789-1768
www.huntsville.ca



MEMORY CARE BURLINGTON



ALZHEIMER'S AND DEMENTIA CARE RESIDENCE

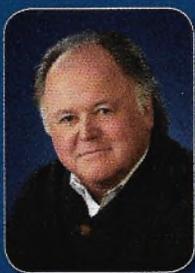
FIRST MORTGAGE FINANCING UP TO \$13 MILLION

- 8% annual fixed rate of interest
- Interest paid quarterly
- \$25,000 minimum
- Construction financing
- 1-year term plus two possible 6-month extensions
- Cash, RRSP, RESP, TFSA and LIRA eligible

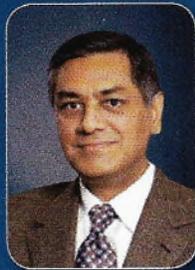
THE DEVELOPER

Memory Care Investments (Burlington) Ltd.

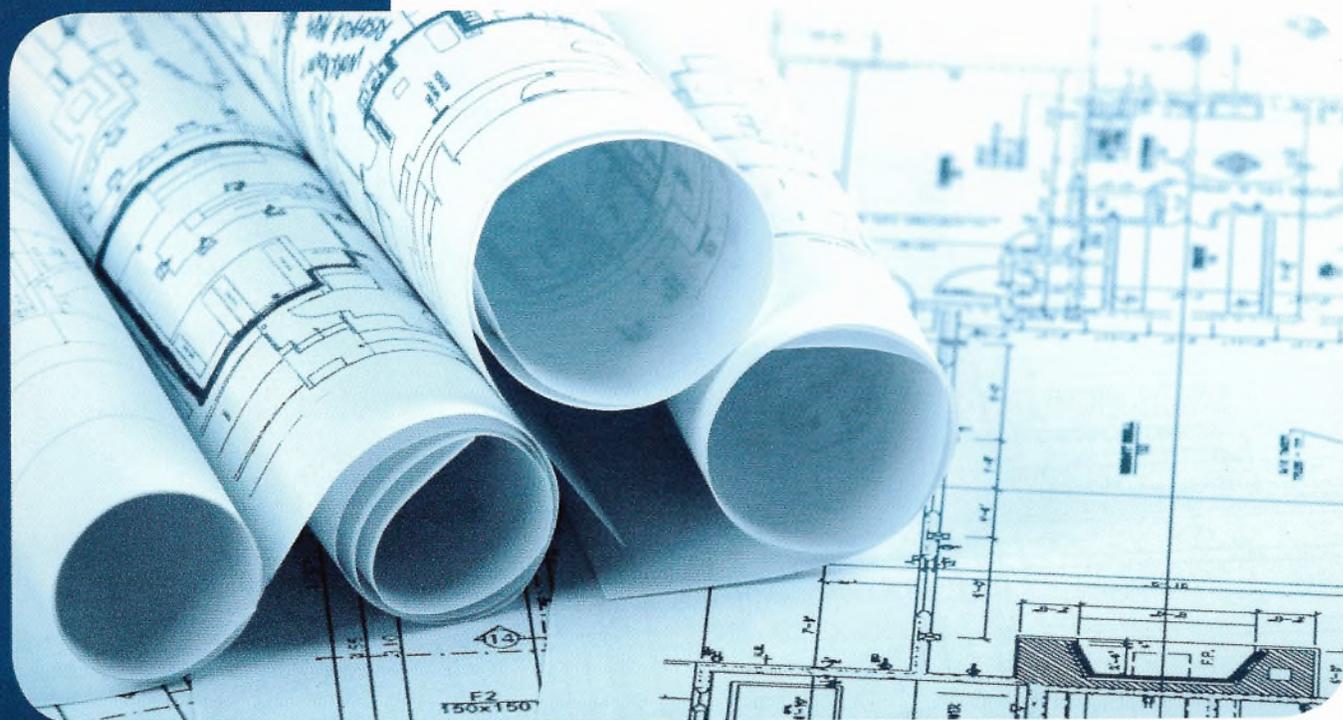
Memory Care Investments (Burlington) Ltd., the developer of the Burlington Alzheimer's and Dementia Care facility, was founded by John Davies, a founding partner of GenerX Inc., one of Canada's most successful condominium, resort, retail and office developers. John has a wealth of real estate development, construction and finance experience across a broad spectrum of the development industry. For more than 35 years, John has been involved in the acquisition, financing, design, development and construction of real estate development projects across North America, including well-anchored strip centres, retail power centres, seniors' housing, and commercial office, recreation and high-rise residential developments. The development team has significant experience conceiving and successfully executing a wide spectrum of real estate projects resulting in substantial financial returns by implementing innovative design, engineering, construction and marketing strategies. They have developed and built over \$1 billion of real estate assets for their own account and in joint venture partnerships with some of Canada's largest development firms. Projects they have been involved in have won numerous Urban Development, Design and Sustainable Architecture awards, including a Governor General's Award for Design in 1991.



John Davies
Memory Care
Investments
(Burlington) Ltd.



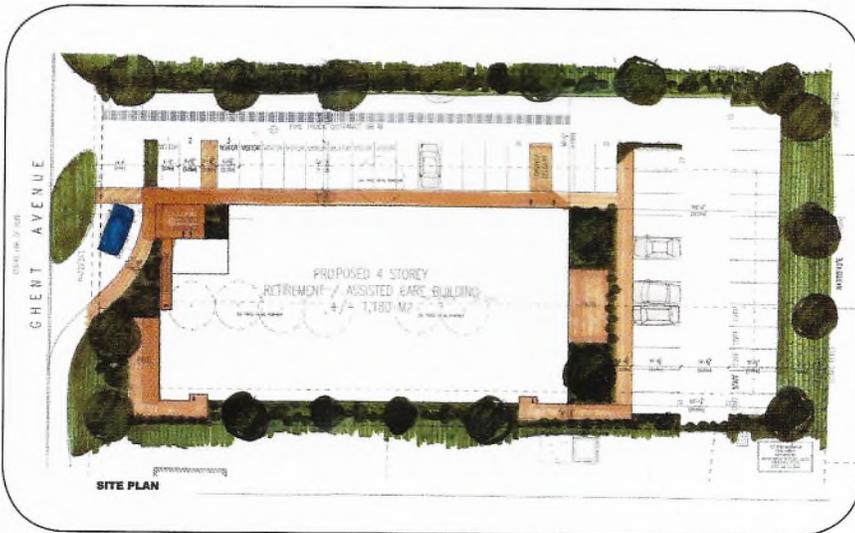
Raj Singh
Tier 1 Transaction
Advisory Services Inc.



PROJECT DESCRIPTION

Memory Care Burlington is a specially designed assisted-living facility that enhances quality of life by catering to the specific requirements of people with dementia.

- Approximately 80-resident maximum to allow for an unrivalled level of care and treatment
- On-site medical practitioners
- Accommodations that include circular routes and corridors without ends, bright and contrasting colours, classical music, indirect lighting, natural light and outdoor spaces to enhance the experience and help create a calm living environment



- Location:** 2170 Ghent Avenue, Burlington, Ontario
- Zoning:** Retirement Residence (zoning fully in place)
- Site Area:** Approximately 1 acre
- Building Size:** Approximately 57,000 sq. ft.
- Height:** 4 storeys
- Parking:** Surface
- Units:** 60 proposed suites to accommodate 80 residents

PROJECT UPDATE

The development team has met the requirements of the municipality including the payment of \$1.4 million to the City on July 13th, 2016 for Development Charges, Levies, Securities and Fees. The city issued the full building permit the week of August 1st, 2016. Varcon Construction has cleared the site and installed perimeter fencing. Their site trailer is now on site. Construction is expected to take 11 months.

BURLINGTON MARKET AND DEMOGRAPHICS

- 15% of Burlington's residents are senior citizens, making it one of the most aged (per capita) cities in Canada. On a national basis, 8% of the Canadian population is 65 or older.
- Burlington is part of the GTA and is in Halton Region. It has a population of 175,799 residents, up 7% since 2007. Median household income is \$74,969. The average house price is \$421,008.
- Burlington has been ranked the best city in the GTA and the second best in Canada in which to live by *Moneysense* magazine.
- There are 900,000 persons in the Hamilton and Halton catchment area. That service area includes Burlington, Halton Hills, Milton, Oakville and the east side of Hamilton. (www.alzhh.ca)
- There are 13,000 registered Alzheimer's sufferers in the Halton Hills catchment area, which includes Burlington. That represents 1.5% of the catchment area's total population. There are 500,000+ registered Alzheimer's sufferers in Canada. That represents approximately 1.7% of the national population.
- By extrapolation of the catchment area numbers, there are approximately 4,800 persons with Alzheimer's disease living in Burlington. Our facility seeks to house 80 of them.

Sources: statcan.gc.ca, burlington.ca and moneysense.ca

Professional Services

Legal Advisors:

Harris + Harris LLP

Appraisers:

Michael Cane Consultants

Registered Custodian:

Olympia Trust Company

Mortgage Brokerage –

First Commonwealth Mortgage Corporation



First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy (FSCO licence #10636). Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Law Firm –

Harris + Harris LLP



HARRIS + HARRIS LLP
BARRISTERS AND SOLICITORS

Harris + Harris LLP is a very well respected business law firm in the GTA that has lawyers who practise in a variety of business and commercial areas.

Harris + Harris LLP has significant experience in commercial real estate transactions, including real estate financing using syndicated mortgages.

This is not an offer to sell securities. Licensed mortgage agents/brokers close all transactions. All mortgages are closed through First Commonwealth Mortgage Corporation, Financial Services Commission of Ontario (FSCO) licence #10636.

Mortgage investments have risks and may not be suitable for all investors. Potential investors are encouraged to seek independent legal and financial advice before investing.

MEMORY CARE KITCHENER

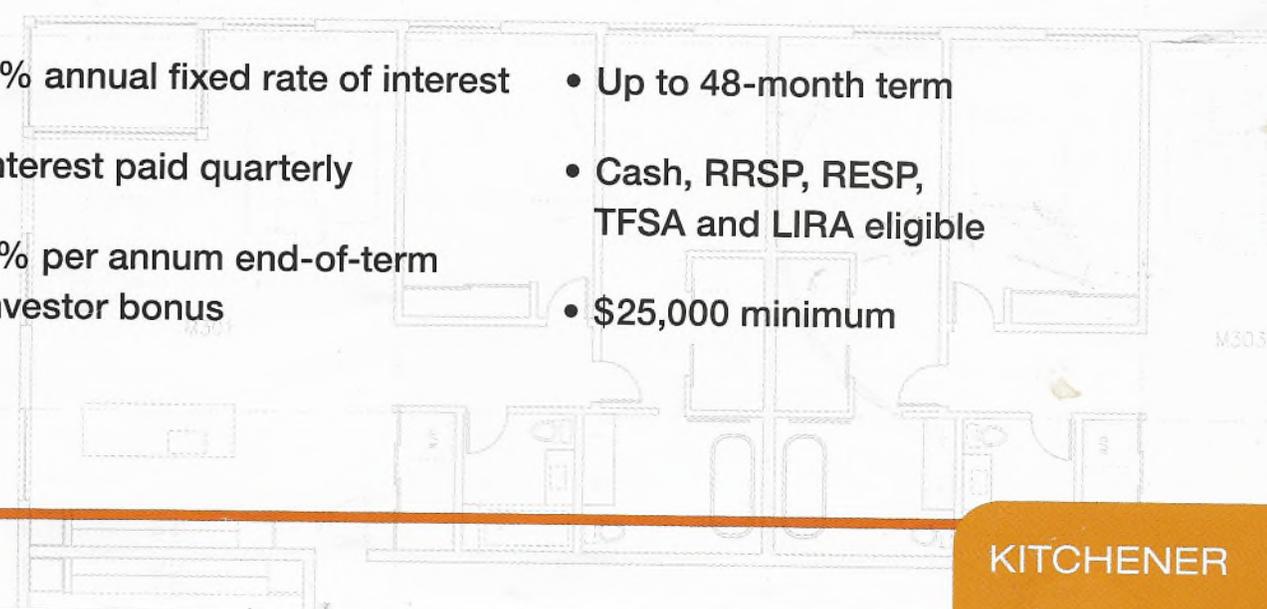


DEDICATED ALZHEIMER'S AND DEMENTIA CARE RESIDENCE

A WORLD-CLASS INVESTMENT OPPORTUNITY SYNDICATED MORTGAGE

- 8% annual fixed rate of interest
- Interest paid quarterly
- 4% per annum end-of-term investor bonus
- Up to 48-month term
- Cash, RRSP, RESP, TFSA and LIRA eligible
- \$25,000 minimum

Handwritten notes:
RRSP
1-800-465-0240
712
1-800-465-0240



M303

KITCHENER

THE LARGEST GENERATION IN HISTORY IS APPROACHING THE YEARS OF DEMENTIA

The Baby Boom generation is the largest the world has ever seen and the oldest Boomers are now approaching 65 years of age. This generation faces two daunting and terrifying challenges: the need to care for parents who suffer from dementia and the possibility that they will suffer from it themselves. There are currently about 500,000 Canadians with Alzheimer's disease or a related dementia. One in 10 Canadians over the age of 65 suffers from some form of dementia but it is not just an affliction of the elderly. Over 120,000 dementia patients are under 65 and they are the leading edge of the Baby Boom. As it has been in virtually every area of society, the Baby Boomers are creating an unprecedented demand for dementia care as both caregivers and those in need of care themselves.

THE NEED FOR CARE FACILITIES IS DIRE AND GROWING

Dementia is a brain illness that affects memory, behaviour and the ability to perform even familiar tasks. About 70% of cases are believed to be caused by Alzheimer's disease. Regardless of the cause, the results of dementia are an increasing need for care and treatment for those afflicted. At present the vast majority of this care is being provided by family members. One in five Canadians over the age of 45 is providing some form of care to seniors, while over 200,000 caregivers in Canada are over 75 themselves. This is the front line of care for dementia patients and it is fracturing. Forty percent of family members who are caring for a loved one with dementia say they suffer from conditions such as depression, rage and the inability to cope

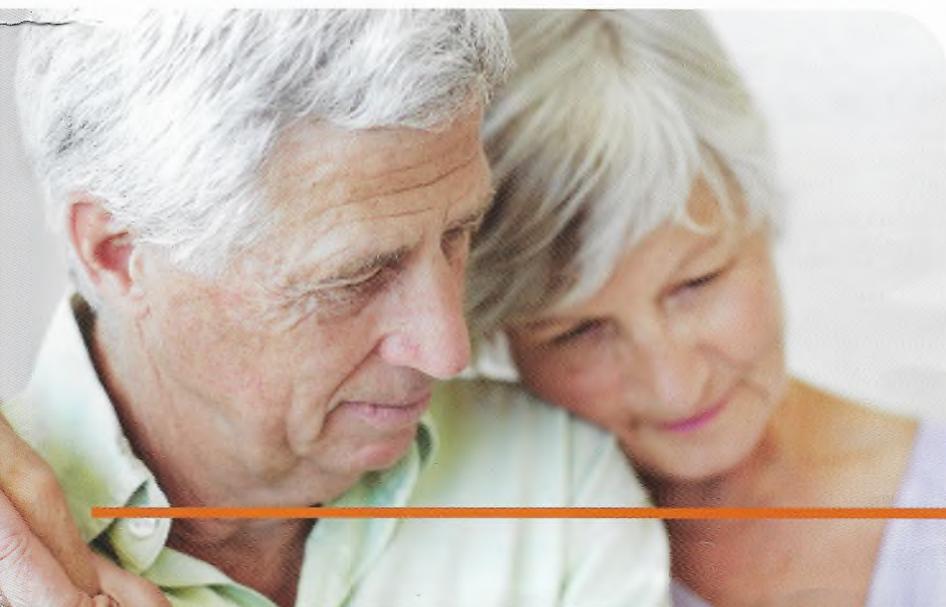
With the number of dementia patients expected to rise to over 1 million during this generation, the need for care facilities will outstrip health-care resources. In fact, the World Health Organization has found that the drive to place dementia patients in institutions is "a mistake that some developed countries have made that is neither financially viable nor providing the best care." There is an urgent need for care options from the private sector that are both effective and sustainable.



By 2038:

- 1,125,200 people will have dementia in Canada – 2.8% of the Canadian population.
- The cumulative economic burden will be \$872 billion.
- Demand for long-term care will increase 10-fold

—*Alzheimer Society of Canada*



A SOLUTION WITH REAL OPPORTUNITIES

Memory Care and its dedicated team of professionals have over 20 years of experience designing, building and operating seniors' retirement facilities. They have now turned their expertise to the development of the first Alzheimer's-only care facilities in Canada. These facilities will offer full-time care by health-care professionals as well as a wide range of amenities. The focus of each facility will be to provide individualized care to residents that reflects their needs and abilities.

Memory Care facilities will feature a variety of suites with private baths, individual climate control and emergency call systems. A state-of-the-art GPS monitoring and communications system will protect residents at all times while health and wellness care is integrated with local hospitals and physicians.

Some of the features for residents include:

- Central control and front entry plus swipe access at all entrances and exits
- Bright and contrasting colours and different design and décor throughout to enhance residents' experience
- Purpose-specific rooms (fitness, spa, dining, etc.)
- No dead-end hallways or corners and clear, simple, eye-level signage
- Everyday places such as bathrooms and dining rooms are easily accessible and visible
- Minimal obstacles in hallways and common areas
- Handrails and grab bars in bathrooms and hallways
- Sensors in each bed to alert nurses when patients are up
- Home-like atmosphere: residents encouraged to place personal pictures, mementos or familiar things on doors and in rooms
- Sound-proofed activity rooms to prevent noise carrying to other patients' activities and rooms
- Outdoor living space for physical activities
- Roof gardens and horticultural rooms
- Activity baskets for residents
- Meeting areas for friends and family
- Coffee room and wine bar on ground floor
- Registered nurse on call 24/7

In addition to these amenities and services, each Memory Care facility will be conveniently located adjacent to shopping venues, dining options and medical facilities. Most importantly, each of Memory Care's 20 proposed residences will be located in the communities across Canada where the need is greatest.

Memory Care has devised a sustainable model for the creation and operation of these facilities that provides much-needed care while reinvesting in future development. Through a financing model that uses both traditional lenders and private investors, Memory Care can achieve its goal of building 20 residences by 2021.



"The predicted surge in dementia cases will certainly overwhelm Canada's health care system unless specific and targeted action is taken. Canada must act now."

—Richard Nakoneczny
Volunteer President
Alzheimer Society of Canada

One in five people receiving home-care services suffers from Alzheimer's disease or other forms of dementia.

—Canadian Institute for
Health information

Currently, there are no standalone Alzheimer's-only care facilities specifically designed and managed to provide for the care of dementia patients in Canada.



MARKET AND DEMOGRAPHICS

- With a population of more than 232,000, Kitchener is the largest city in Waterloo Region, which is home to over 550,000.
- The Kitchener catchment area has more than 63,000 residents aged 60 or older and this cohort is growing at a rate of 13% per year.
- Kitchener boasts an average household income that is 4% above the national average due in part to the large high-tech industry that is based in the region.
- Despite its aging population, Kitchener has only 646 hospital beds and a limited number of private facilities offering long-term care for dementia sufferers.
- There are over 6,500 Alzheimer's sufferers in Kitchener and that number is expected to double over the next decade.

Sixty-five percent of Kitchener's seniors are women and women account for over 75% of all Alzheimer's sufferers. Women also tend to outlive men by five years, increasing the need for long-term care.





- Location:** 169 Borden Avenue North, Kitchener, Ontario
- Zoning:** Retirement Residence (zoning fully in place)
- Site Area:** 1.85 acre +/-
- Building Size:** 63,000 square feet
- Height:** 3 storeys
- Parking:** Surface
- Units:** 63 proposed suites, housing up to 90 residents

PROJECT DESCRIPTION

Memory Care Kitchener is a 63-suite development to be located on Borden Avenue North in the core of the City of Kitchener. The surrounding area comprises century homes, parks and local attractions, including the Kitchener Memorial Auditorium Complex, within walking distance of the site. Borden Avenue is virtually at the intersection of highways 7 and 8 and minutes from the 401, thereby providing excellent access for all 550,000 residents of the Waterloo Region.

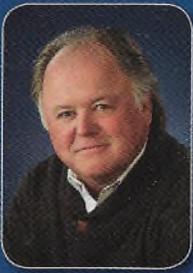
Memory Care Kitchener will house up to 90 residents on three levels that will include state-of-the-art accommodations for those with dementia. Residents will live in an environment that meets their physical needs and engages their senses positively to reduce the impacts of the disease. In addition to benefiting from a physical environment unavailable in any other facility, Memory Care Kitchener residents will be cared for by a specialized group of professionals trained specifically in the treatment and care of people with Alzheimer's and other forms of dementia.

Memory Care Kitchener

is a specially designed assisted-living facility that enhances quality of life by catering to the specific requirements of people with dementia.

- 90-resident maximum to allow for an unrivalled level of care and treatment
- Highly trained management and personnel
- On-site medical practitioners
- Carefully designed accommodations that include circular routes and corridors without ends, bright and contrasting colours, classical music, indirect lighting, natural light and outdoor spaces to enhance the experience and help create a calm living environment

KITCHENER



John Davies
Memory Care
Investments Ltd.



Bruce W. Stewart
Memory Care
Investments Ltd.



Raj Singh
Tier 1 Transaction
Advisory Services Inc.



Manny Simon
Eldercare
Equities Inc.



Shael Simon
Eldercare
Consulting Inc.

THE DEVELOPER

Memory Care Investments Ltd.

Memory Care Investments Ltd., the developer of the Kitchener Alzheimer's and Dementia Care facility, was founded by **John Davies**, a founding partner of GenerX Inc., one of Canada's most successful condominium, resort, retail and office developers. John's projects have received numerous awards, including a Governor General's Award for design, an ICSC Award of Merit, an ASLA Gold Medal and over one dozen Urban Design Awards. John served as Vice President, Acquisitions and Development, at Markborough Properties Inc., at the time Canada's third largest real estate developer, with assets in excess of \$3 billion. John was responsible for the acquisition, development and lease-up of over \$300 million of Class A office space in major US office markets, as well as overseeing the renovation of the company's 20 million square foot regional shopping centre portfolio in Canada and the expansion of Meadowvale Business Park in Mississauga, Ontario. Since 1995, companies in which John has been a principal have borrowed and re-paid over \$200 million in real estate development financing. John Davies has 30 years of experience conceiving and successfully executing a wide spectrum of real estate development projects resulting in substantial financial returns by employing innovative design, engineering, construction and marketing strategies.

Bruce W. Stewart is the founder and president of the Traditions Development Company, a nationally recognized developer of quality seniors' housing providers. Bruce has a 25 year proven track record in real-estate development and construction, specializing in seniors housing and care management. Traditions has joint ventured with some of Canada's leading seniors' housing providers as well as developing and building for the Traditions portfolio. Bruce has been the proponent of the design, development, construction and management of over 1700 seniors' units in Ontario as well as numerous residential housing developments. To date, the total value of these projects exceeds \$300 million. Formerly Bruce was a senior executive of two major Canadian financial institutions specializing in seniors' housing development and construction financing.

THE FINANCIER

Tier 1 Transaction Advisory Services Inc.

Raj Singh is the President and founder of Tier 1 Transaction Advisory Services Inc., a firm specializing in financing real estate related projects in Canada.

A senior executive with over 20 years' experience in business services, his responsibilities have included operations management; corporate finance (mergers and acquisitions, raising debt and equity financing); capital markets activities; operational and financial restructuring; building and managing high-performance sales and delivery teams; conceptualizing, developing and executing sales and marketing strategies; and technology product development and management.

Raj has solid experience selling to and servicing a broad range of industries, including financial services; retail; oil and gas; refinery; nuclear; consumer products; educational institutions; federal, provincial and municipal governments; and consulting and staffing industry clients.

He holds a BSc from York University and an MBA from Florida International University and has completed post-graduate studies in mergers and acquisitions at Wharton School of Business, University of Pennsylvania. He has been a frequent speaker at industry conferences and trade shows. He co-authored and published three research studies in prestigious international scientific journals while an undergraduate.

FACILITY MANAGER

Eldercare Management Group

Eldercare Management Group provides management and consulting services to retirement homes, residential homes for Alzheimer's and dementia care and long-term care facilities through Eldercare Equities Inc., Eldercare Management & Consulting Corp., and Eldercare Consulting Inc. The principals of these companies are Manny Simon and Shael Simon. Eldercare has been an approved manager for First National Financial Corp., Sun Life Financial, Carlisle Capital, RBC, Bank of Montreal and CMHC. Eldercare currently oversees a portfolio of four retirement homes and two long-term care facilities and recently provided extensive consulting services for three specialized residential homes for Alzheimer's and dementia care, which are currently in various stages of construction or development.

Manny Simon, President of Eldercare Equities Inc., has been involved in the industry as an owner and operator since taking over management of a family-owned nursing home from his father in 1975. Over the course of his career, Manny has been involved, in various capacities, with approximately 25 retirement and long-term care homes, several of which have planned or incorporated specialized care programs for Alzheimer's disease and dementia. He has served on the executive and board of directors of the Ontario Nursing Home Association (now OLTHA) and the executive of the Council on Aging for York Region and was a founding member and past chair of the board of directors of the Community Care Access Centre (CCAC) for York Region. A chartered accountant by training, Manny couples a vast knowledge of the financial side of the business with his broad operating experience.

As President of Eldercare Consulting Inc., **Shael Simon** has nine years of retirement home and long-term care home management experience. Shael was first exposed to the industry at an early age thanks to his father and mentor, Manny Simon, a 37-year industry veteran. He has been involved in all aspects of the business, including business development, finance and marketing. Shael earned a BSc from the University of Western Ontario as well as an MBA from the University of Toronto. Upon graduation, Shael got his start in the health-care field at a generic pharmaceutical company, where he was employed for two years as a Financial Analyst.

SYNDICATED MORTGAGE

In a syndicated mortgage, your RRSP or cash investment is secured and registered as a mortgage on a real estate asset. Memory Care Investments Ltd. (Memory Care), the developer of this specialty care facility, through its principals has 30 years of experience in commercial, residential and resort property development and has assembled a world-class team of award-winning architects, engineers and marketing consultants who each has a proven track record of delivering projects on time and on budget.

SECURITY AND RISK MITIGATION

Mortgage Registration:

The mortgage that will secure the investment by investors will be registered as a first mortgage against the property, in the name of each lender through a nominee trust corporation and in the case of RRSP investors, directly in the name of the RRSP account and the RRSP trustee. The first mortgage will be subordinated only to construction financing. At that point, the syndicated mortgage holders will rank in second position behind the construction lender. No other financing will be permitted to be registered ahead of the syndicated mortgage holders.

Loan to Value Ratio:

The loan to value ratio during development and construction shall not exceed 80% of the completed and stabilized value. Funds will be advanced on a cost-to-complete basis and certified by independent quantitative surveys. The developer has contracted the acquisition of the land and retained the entire consulting team. Design and development have begun in conjunction with Kitchener city staff, the immediate neighbourhood and the operations management team.

Nominee Trust Corporation:

A trustee corporation will hold the syndicated mortgage on behalf of each lender, while RRSP accounts will hold the mortgage interest directly. Mr. Raj Singh, officer and director of the nominee corporation, will provide status reports to the lenders throughout the term of the mortgage and will serve as liaison between the lenders and borrower.



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LIMITED-TIME OFFERING

Once the full amount has been raised, the offering is closed to new investors. Ask your advisor today about how to participate with your RRSP, LIRA, RESP, TFSA or cash.

Professional Services

Facility Manager and Operator:
Eldercare Consulting Inc.

Quantity Surveyors:
Pelican Woodcliff Inc.

Legal Advisors:
Harris + Harris LLP

Appraisers:
Michael Cane Consultants

Registered Custodian:
Olympia Trust Company

Architects:
Fabiani Architects

Structural Engineers:
SWS Engineering

Site Servicing Engineers:
WMI Engineering

Electrical Engineers:
Tristar Engineering

Landscape:
Terraplan

Planners:
Lucas and Associates

Environmental:
Church and Trought Ltd.

Management Firm –

Tier 1 Transaction Advisory Services Inc.

3655 Kingston Road, Scarborough, ON M1M 1S2
tel: 647-748-8434 | fax: 416-218-0236



Tier 1 Transaction Advisory Services Inc. is the creator, provider and administrator of syndicated second mortgages, also known as principal secured mortgages. The syndicated mortgage is an FSCO-regulated investment, requiring a full team of professional support services to complete each syndicated mortgage transaction.

Mortgage Brokerage –

First Commonwealth Mortgage Corporation



First Commonwealth has been in business since 1994. Its principal broker is Jude Cassimy, FSCO licence #10636. Mr. Cassimy has been licensed by the Financial Services Commission of Ontario since 1991. All syndicated mortgage transactions will be handled by licensed mortgage agents and brokers.

Tier 1 Mortgage Corporation

Law Firm – Harris + Harris LLP



HARRIS + HARRIS LLP
BARRISTERS AND SOLICITORS

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Appendix “D”

From: John Davies
To: 'Raj Singh'
CC: 'Chris Giamou'
Sent: 11/3/2014 3:54:51 PM
Subject: FW: Guildwood Timing

Raj:

See response from Greg Wood below about Loan to Value Ratio on Guildwood.

I'll work on Michael Cane to see if he can get us to \$5.5 million or \$6.0 million appraised value.

JD

From: John Davies [mailto:john@memorycare.ca]
Sent: October 31, 2014 4:35 PM
To: 'Greg Wood'
Cc: 'Chris Giamou'; 'Ethan Wood'
Subject: RE: Guildwood Timing

Hey Greg:

OK. We can discuss. Maybe \$2 million is aggressive opposite the LTV. If the new appraisal comes in at \$5.5 million, he'd qualify with Olympia Trust for \$1.5 million. That would be back under 30%. I'll get started on the answers to all your questions next week.

Enjoy the weekend.

John.

From: Greg Wood [mailto:woodg@icfunding.com]
Sent: October 31, 2014 12:16 PM
To: John Davies; 'Chris Giamou'
Cc: Ethan Wood
Subject: RE: Guildwood Timing

Thanks for the update John. I look forward to information in support of our lender discussions. Just a couple of initial comments

- Given that the LTV on this land parcel may be 50%, have you discussed with Raj covenant support ? (compared to Whitby at 25% LTV and no covenant required)
- How does current value compare to original purchase price (acquisition history?)
- Given lender opinion regarding the quality of the David Crane report provided for Whitby and assuming the that ask for Guildwood will be more aggressive, we would recommend a brand name appraisal report that will be received as undoubted in terms of the land value estimate....no sense spending money twice.....we can get you some recommendations as you require
- A break down of disbursements will be helpful information

It seems like we should proceed to get at least the term sheet issued and have the appraisal as a condition precedent to funding (advance not to exceed **% of value)

Look forward to your information as available.

Greg Wood
Broker | Principal

373 Commissioners Road West, Suite 200
London, ON N6J 1Y4
T 519.673.3528 x128
C 519.671.3528
woodg@icfunding.com
www.icfunding.com

Seniors Housing | Apartment | Retail | Industrial | Office

Financial Services Commission of Ontario License #10783

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From: John Davies [<mailto:john@memorycare.ca>]
Sent: October-31-14 11:49 AM
To: Greg Wood; 'Chris Giamou'
Cc: Ethan Wood
Subject: Guildwood Timing

Hello Greg:

I had a meeting with our partner Raj Singh regarding Guildwood on Wednesday evening. We are looking for approximately \$2 million in new capital to advance the Guildwood project which goes to market in a week. Looking for new funding to cover costs related to build-out of sales presentation centre, architects, engineers, City of Toronto fees, and sales commissions and sales centre costs to get the project to 70% pre-sold.

Existing appraisal is \$4.5 million. In order to obtain additional financing beyond the \$4 million currently registered against the property (which will subordinate to new financing) and receive Olympia Trust approval, we'll need an updated appraisal. As we've discussed, we can only fund up to the appraised value. We'll get going on that new appraisal shortly.

In the interim, we can pull some basic info together for you but there is nothing that can be advanced until we have the new appraised valuation which will determine the quantum of the new loan. Let's get Boathaus finished off and by the time that loan funds in the next few weeks we should have our house in order to discuss Guildwood in a more meaningful way.

Thanks Greg,

John.

From: Greg Wood [<mailto:woodg@icfunding.com>]
Sent: October 31, 2014 11:13 AM
To: Chris Giamou
Cc: John Davies; Ethan Wood
Subject: RE: Scollard

Thanks for the quick response Chris.. I have spoken to Meridian....these questions are just dotting the "i's" kind of issues.....trying to anticipate questions that may be asked by credit.
He did acknowledge that his question on the RSC was premature.

So..... committed to having this off his desk today....expecting approval by the end of next week.

Re Guildwood....John said that you would be preparing a similar information package for us...look forward to that package and of course any updates on the Memory Care – Burlington-Oakville developments.

Have a great weekend

Greg Wood

Broker | Principal

373 Commissioners Road West, Suite 200

London, ON N6J 1Y4

T 519.673.3528 x128

C 519.671.3528

woodg@icfunding.com

www.icfunding.com

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From: Chris Giamou [<mailto:chris@memorycare.ca>]

Sent: October-31-14 10:33 AM

To: Greg Wood

Cc: 'John Davies'; Ethan Wood

Subject: RE: Scollard

Hi Greg,

The RSC has not been done. It can only be certified at the point in time when excavation is complete.

Typically, an RSC is required as a pre-condition to construction financing. The zoning designation / change does not require an RSC.

John provided Ryan with a copy of the Phase 2 soils report. This should be sufficient for now.

-Chris

From: Greg Wood [<mailto:woodg@icfunding.com>]

Sent: October 31, 2014 8:51 AM

To: chris@memorycare.ca

Cc: John Davies; Ethan Wood

Subject: FW: Scollard

Chris:

Also, has an RSC (Record of site condition) been done, or will one be done? Golder report says it was done to support the RSC but when I search the MOE database nothing is there.

This is required when there is a change from commercial/industrial to residential use.

Pls advise

Greg Wood

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received this email in error, please notify the sender by reply email and then destroy all copies of the transmission.

From: John Davies
To: Raj Singh
CC: Gregory H. Harris
Sent: 11/20/2015 11:59:09 PM
Subject: Re: Bronson Views.

Will do Raj.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Raj Singh
Sent: Friday, November 20, 2015 6:54 PM
To: John Davies
Cc: Gregory H. Harris
Subject: Re: Bronson Views.

That's great John. Also would be great if you can send me the electronic copies so that I can insert in my power point.

/raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Fri, Nov 20, 2015 at 4:06 PM, John Davies <john@textbooksuites.com> wrote:

Hey Guys:

This is Bronson. There are some further refinements still being added over the weekend. Raj, I'll have the final renderings and floor plans printed into a half dozen 11"x17" drawing sets for you on Monday to take to Ottawa with you Tuesday.

Cane is in Ottawa today. I think we'll be at \$16 million, give or take. Andre has sent him some additional back-up on costs and revenues that should bump his \$13.750 million initial appraisal number. Sarah sent a draft brochure to you this morning for any comments. We'll substitute the renderings with new ones Monday and print the sets mid-afternoon. Sarah can deliver them to your office Raj Monday afternoon.

Timing OK?

Have a good weekend!!

John.

From: Feby Kuriakose [mailto:FKuriakose@srmarchitects.ca]
Sent: November 20, 2015 3:31 PM
To: John Davies <john@textbooksuites.com>
Cc: Wilson Costa <WCosta@srmarchitects.ca>; Ryan Hicks <rhicks@srmarchitects.ca>
Subject: Re: Rideau, Bronson adn Ross Park - Precast Panel

Hi John,

Attached are the latest renderings for Bronson based on your comments.

The following items are outstanding on the renderings:

- Chris is working on the updated landscape plan, we will incorporate it into the renderings as soon as we have it.
- The residential entrance canopy has to be refined and additional columns supports to be added.
- The stair along Cambridge street has to be designed to be part of the landscape design.

Please review and let me know your comments. Also please let me know when you want the final renderings, we are expecting the landscape revisions early next week to incorporate into the model.

Thanks,

Feby

P.S. Hawaii was incredible!

From: John Davies <john@textbooksuites.com>
Sent: November 20, 2015 2:29 PM
To: Feby Kuriakose
Subject: RE: Rideau, Bronson adn Ross Park - Precast Panel

Important we get a design that can be approved and worry about how we`re going to execute it later. How was Hawaii?

From: Feby Kuriakose [<mailto:FKuriakose@srmarchitects.ca>]
Sent: November 20, 2015 2:17 PM
To: John Davies <john@textbooksuites.com>
Subject: Re: Rideau, Bronson adn Ross Park - Precast Panel

Thanks John.

Regards,

Feby

From: John Davies <john@textbooksuites.com>
Sent: November 20, 2015 2:07 PM
To: Feby Kuriakose
Subject: RE: Rideau, Bronson adn Ross Park - Precast Panel

Stick with the plan. Keep going with what you're refining.

From: Feby Kuriakose [<mailto:FKuriakose@srmarchitects.ca>]
Sent: November 20, 2015 2:02 PM
To: John Davies <john@textbooksuites.com>
Cc: Edward Thomas <edward@srmarchitects.ca>; Ryan Hicks <rhicks@srmarchitects.ca>
Subject: Rideau, Bronson adn Ross Park - Precast Panel

Hi John,

In the meeting with Stubbes you mentioned that the precast cladding is to be coloured concrete and no form liners. Is that the approach for Rideau, Bronson and Ross Park? If so, we will have to revise Ross Park renderings as well as the concept that we have been sending you for Bronson. Both these projects currently show precast treatments that would require form liners.

Please advice how you want us to proceed.

Thanks and regards,

Feby

From: John Davies
To: Andre Antanaitis ;'Gregory Harris'
CC: 'Amy Lok' ;'Nicole Cristiano'
Sent: 9/29/2015 3:02:47 PM
Subject: Re: 445 Princess Street, Kingston-Appraisal Report

Greg, Andre: Held for rental. This will not be sold as a condo notwithstanding that is the assumption in Cane's appraisal. All of MC's appraisals derive their valuation on a sale basis regardless of whether it's a hold or not. Highest valuation this way given Cane's conservative cap assumptions. John.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Andre Antanaitis
Sent: Tuesday, September 29, 2015 10:59 AM
To: 'Gregory Harris'; 'John Davies'
Cc: 'Amy Lok'; 'Nicole Cristiano'
Subject: RE: 445 Princess Street, Kingston-Appraisal Report

Hi Greg,

At this point, I'm not sure if that's been decided yet. The figures sent to Michael Cane have the project modeled as a condo sale, but that could change.

525 Princess and 555 Princess Street, which are across the street from each other (north-west of 445 Princess), are coming through the pipeline before 445 Princess, and I know John and Walter have discussed options of keeping one as a rental property and one as a condo, but again, all discussions about condo vs. rental that I've been privy to have been preliminary.

I'd prefer to let John address any final decisions regarding condo vs. rental, so I've re-copied him to this email.

Thanks,
Andre

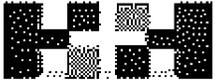
From: Gregory Harris [mailto:GregHarris@harrisandharris.com]
Sent: September-29-15 10:45 AM
To: Andre Antanaitis
Cc: Amy Lok ; Nicole Cristiano
Subject: RE: 445 Princess Street, Kingston-Appraisal Report

Andre:

Is this the property that will be held as a rental property and not sold as condo units?

Greg

Gregory H. Harris
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L4W 4Y6
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Fax 905.629.4350
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From: Andre Antanaitis [<mailto:andre@textbooksuites.com>]
Sent: September-29-15 10:23 AM
To: 'John Davies'; Amy Lok; Gregory Harris
Subject: FW: 445 Princess Street, Kingston-Appraisal Report

John, Amy, and Greg,

For your review, please find attached Michael Cane's Appraisal Report for 445 Princess Street in Kingston, ON, which was distributed September 22nd, 2015.

Thanks,
Andre

Andre Antanaitis, M.A.
Analyst

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51-A Caldari Road, Unit 1M
Vaughan, ON L4K 4G3

andre@textbooksuites.com
416-477-7744 ext 236
www.textbooksuites.com

From: Michael Cane [<mailto:michaelcane@rogers.com>]
Sent: September-22-15 3:45 PM
To: John Davies <johndavies55@rogers.com>; Chris Giamou <chris@textbooksuites.com>; Andre Antanaitis <andre@textbooksuites.com>
Subject: 445 Princess Street, Kingston-Appraisal Report

Gentlemen,
Please see attached
Please confirm receipt
Best wishes,

Michael

Michael Cane Consultants
18976 Kennedy Road
SHARON, ON
L0G 1V0
C-416-312-2263
michaelcane@rogers.com

From: John Davies
To: Walter Thompson ;Andre Antanaitis
Sent: 2015/11/20 9:09:04 AM
Subject: Re: ** Information on Summerhill / Bronson **

I'd hold off on the rental rate bump. We may not even need to go there. In any event, Michael will push back if he feels we're being excessive. Let's wait and see where we end up this round. Degree at a time. Need to get him to buy in to these changes first.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Walter Thompson
Sent: Thursday, November 19, 2015 10:42 PM
To: Andre Antanaitis; John Davies
Subject: Re: ** Information on Summerhill / Bronson **

I'd send him the pro forma of where we expect the Cane appraisal to land.

Is this the time we advise Michael of the rental rates being achieved at Capital Hall? Or do we let him find the answer by telling him we understand there's a competing project on the market, understand they're guaranteeing rents for 3 years, and would be interested if he could find out what those were and use them in his appraisal as representative of market? Would be independent, allow him to arrive at his own rental rates, and add value to his client all at the same time.

Thanks,

Walter

From: Andre Antanaitis
Sent: Thursday, November 19, 2015 10:21 PM
To: Walter Thompson
Subject: Re: ** Information on Summerhill / Bronson **

Do you want me to just do my best to look into the crystal ball and give my best estimate of what Michael's residual value will be? His most recent preliminary draft only valued it at 13.5 mill. He's pushing back right now, hasn't issued an update, and is dragging his feet saying we have too much value and not enough cost in the pro forma compared to other projects he's working on.

I doubt I'll have anything by the end of the week with Michael's letterhead on it that's above 13.5 million based on the email I forwarded you. Can Raj take that to get started and then upgrade once we get a new report from Michael?

Sent from my iPhone

On Nov 19, 2015, at 10:05 PM, Raj Singh <rajsingh100@gmail.com> wrote:

Also do you have Michael Cane's revised appraisal? If not, send me your expected appraisal from Cane.

/raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Thu, Nov 19, 2015 at 10:04 PM, Raj Singh <rajsingh100@gmail.com> wrote:

Hi Andre:

Please also send me the pro forma in Excel please.

thanks

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Thu, Nov 19, 2015 at 7:44 PM, Andre Antanaitis <andre@textbooksuites.com> wrote:

Hi Raj,

Here is the info package on 774 Bronson detailing the development concept and locational attributes. Please let me know if you need anything else.

Andre

From: GXUDC [<mailto:walter@gxudc.com>]

Sent: November-19-15 6:12 PM

To: Raj Singh <rajsingh100@gmail.com>; John Davies <johndavies55@rogers.com>

Cc: Gregory H. Harris <gregharris@harrisandharris.com>; Andre Antanaitis <andre@textbooksuites.com>

Subject: Re: ** Information on Summerhill / Bronson **

You'll have a ton of information shortly. Andre, please forward to Raj asap.

Thanks,

Walter

From: Raj Singh

Sent: Thursday, November 19, 2015 6:02 PM

To: Walter Thompson, President; John Davies

Cc: Gregory H. Harris

Subject: ** Information on Summerhill / Bronson **

John / Walter:

Can you provide me with some information on Bronson. I am presenting to 2 groups (total 89) on Tuesday November 24th.

Address, any renderings, size of Building (units, beds sq ft), estimated price ranges. Please also send the draft pro forma/

thanks

Raj

Raj Singh

CEO

Tier1 Advisory

My LinkedIn Profile:

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

From: John Davies
To: 'Gregory Harris'
CC: rajsingh100@gmail.com ; 'Chris Giamou'
Sent: 2016/03/16 4:54:56 PM
Subject: RE: Update on Agreement

Hey Greg:

I have ben back and forth with Michael Cane on this for several months looking for an increase in valuation. Michael can't get his head around an increase to the last Kitchener appraisal until we break ground. I'll repay the Mintz \$900K on Kitchener from the Boathaus loan and repay Boathaus over say, 3 advances when we break ground in Kitchener.

The MC JV agreement with Leeswood didn't seem like a big priority until it blew up in our face a year later. I am of the belief that the ROFR is important to Guido, and therefore it's a priority to me. Hopefully we can get something in his hands asap. I know they would like to break ground in the near term.

Thanks,

John.

From: Gregory Harris [mailto:GregHarris@harrisandharris.com]
Sent: March 16, 2016 12:18 PM
To: John Davies
Cc: rajsingh100@gmail.com; 'Chris Giamou'
Subject: RE: Update on Agreement

He's not asking for anything further after Raj's response.

Let's not provide a timeline at the moment.

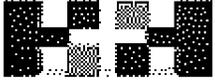
We have many bigger issues to deal with, including but not limited to the Kitchener appraisal from Cane – that's going to end up becoming a very large issue unless we deal with that.

You've been stating for months that Cane was going to get it done; but we still have not seen it.

Let's get our priorities straight please.

Greg

Gregory H. Harris
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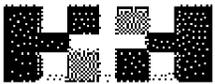
From: John Davies [<mailto:john@memorycare.ca>]
Sent: March-16-16 12:13 PM
To: Gregory Harris
Cc: rajsingh100@gmail.com; 'Chris Giamou'
Subject: RE: Update on Agreement

Yes, thanks, I did see Raj's note to Guido, but I'd like to give Guido a timeframe, if that's possible.

From: Gregory Harris [<mailto:GregHarris@harrisandharris.com>]
Sent: March 16, 2016 12:12 PM
To: John Davies <john@memorycare.ca>
Cc: rajsingh100@gmail.com; 'Chris Giamou' <chris@memorycare.ca>
Subject: RE: Update on Agreement

Raj has already dealt with this.

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From: John Davies [<mailto:john@memorycare.ca>]
Sent: March-16-16 12:10 PM
To: Gregory Harris
Cc: rajsingh100@gmail.com; 'Chris Giamou'
Subject: FW: Update on Agreement

Hey Greg:

Is there a timeframe that I can tell Guido?

John.

From: Guido Paniccia [<mailto:GPaniccia@varconconstruction.com>]

Sent: March 15, 2016 4:51 PM

To: John Davies <john@memorycare.ca>

Cc: 'Chris Giamou (Memory Care)' <chris@memorycare.ca>; rajsingh100@gmail.com

Subject: RE: Update on Agreement

John/Chris

Hope that all is well. Please confirm that I have the correct e mail addresses as I have not heard back from you re e mail below.

Guido Paniccia Bsc.Eng

Senior Vice President



VARCON CONSTRUCTION CORPORATION

250 Doney Crescent

Concord, Ontario. L4K 3A8

From: Guido Paniccia

Sent: March-08-16 8:32 AM

To: John Davies <john@memorycare.ca>

Cc: 'Chris Giamou (Memory Care)' <chris@memorycare.ca>; rajsingh100@gmail.com <rajsingh100@gmail.com>

Subject: Update on Agreement

John

Hope that all is well. Can you please update me on the status of the agreement being drafted?

Regards

Guido Paniccia Bsc.Eng

Senior Vice President



VARCON CONSTRUCTION CORPORATION

250 Doney Crescent

Concord, Ontario. L4K 3A8

John Davies

From: John Davies <johndavies55@rogers.com>
Sent: February 19, 2015 11:15 AM
To: 'Greg Harris'; 'rajsingh100@gmail.com'
Cc: 'Chris Giamou'; 'Dianna Cassidy'
Subject: Memory Care raises

Gentlemen:

Chris is cleaning up a few details in the **Burlington and Oakville** pro-forma projections. Should have them to Michael Cane tomorrow. Michael has completed his initial review of these two projects so I think we'll see his appraisals for both by March 1st. If we can get them to Peter Tuovi that week and get his work back asap, Tier 1 could be selling mid-March. I'm assuming revised documents and OT sign-off will take a couple weeks. Certainly we could be in the marketplace before the end of March break.

Opposite **Kitchener**, we could turn Tier 1's guys loose on that raise right away. The first appraisal on Kitchener was for \$6.5 million. Michael's new appraisal is for \$10.6 million. Peter Tuovi and OT have completed their work. The Mintz \$950,000 closed earlier this week and approximately 50% of the net loan amount has been sent back to H+H for the upcoming April 1st interest payments. The balance will retire some pressing payables.

A few notable Tier 1 agents (Jeff Watson / Marcus Patton) have clients with cash in hand wanting to invest in Memory Care. RRSP season ends March 5th. Let's go to market right away for a **\$4 million Tier 1 Kitchener Construction raise**. Documents could be revised with this new amount fairly quickly and Raj could have his team out selling in the next week or two.

A \$4 million raise nets us say, \$2.8 million. Less \$950K to Mintz. Call it \$1.850 million net.

I'm going to need a chunk of those proceeds to re-pay Bracebridge investors who want their cash returned at the end of April. Walter would like some cash for deposits on student housing land he's chasing.

I'm assuming Michael Cane's Oakville and Kitchener appraisals will be sufficiently increased over the last round of appraisals for Tier 1 to be able to raise say, \$3.5 million on each deal. I think Tier 1 could probably raise those amounts by say, early May if they get the documents etc. by the week of March 9th.

Can we revise the Kitchener documents to permit Tier 1 to be out in the market in a week?

Thanks,

John.

Appendix “E”

From: Dianna Cassidy
To: johndavies55@rogers.com
Sent: 2016/02/09 4:47:05 AM
Subject: Re: Shareholder Dividend Payment on Bronson

Thanks for the update.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: johndavies55@rogers.com
Sent: Monday, February 8, 2016 10:41 PM
To: Dianna Cassidy, Operations Manager October 8, 2015
Subject: Fw: Shareholder Dividend Payment on Bronson

April 1st to receive Bronson cash.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Gregory Harris
Sent: Monday, February 8, 2016 5:46 PM
To: johndavies55@rogers.com; Raj Singh, B.Sc., MBA, CEO
Cc: Walter W. Thompson CA CPA Co-President
Subject: Re: Shareholder Dividend Payment on Bronson

We're aiming for April 1st, however it's a matter of all the sales being completed and then the OT funds being rolled over.

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Fax 905.629.4350
Cell 416.460.2507
Email gregharris@harrisandharris.com
Web www.harrisandharris.com

From: johndavies55@rogers.com
Sent: Monday, February 8, 2016 5:54 PM
To: Gregory Harris; Raj Singh, B.Sc., MBA, CEO
Cc: Walter W. Thompson CA CPA Co-President
Subject: Re: Shareholder Dividend Payment on Bronson

Great. Thanks. When does Raj envision closing?

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

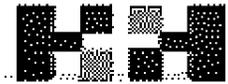
From: Gregory Harris
Sent: Monday, February 8, 2016 5:29 PM
To: johndavies55@rogers.com; Raj Singh, B.Sc., MBA, CEO
Cc: Walter W. Thompson CA CPA Co-President
Subject: RE: Shareholder Dividend Payment on Bronson

If Tier 1 raises \$10.875 million, then deducting 30% results in an amount of \$7,612,500 and from this amount you'd deduct the \$1 million shareholder dividend netting \$6,612,500 by my calculations.

I'll have to confirm tomorrow what the contribution amount will be required to top up the net Vector advance to complete the purchase, but assuming its \$3 million or less, then the net proceeds remaining would be approximately \$3.5 million.

I'll get you more detailed numbers on the purchase side tomorrow, once Amy is back.

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From: johndavies55@rogers.com [mailto:johndavies55@rogers.com]
Sent: February-08-16 5:20 PM
To: Gregory Harris; Raj Singh, B.Sc., MBA, CEO
Cc: Walter W. Thompson CA CPA Co-President
Subject: Re: Shareholder Dividend Payment on Bronson

Hey Greg: If Raj can raise the \$10.875 in addition to the Vector funds, we should receive (after Vector hold back amounts, balance of the purchase price owing, and the normal T1 30% off the top) around \$4,5 million. Less \$1 million shareholder bonus. Net to Textbook roughly \$3.5 million. Is my math more or less correct? John.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Gregory Harris
Sent: Monday, February 8, 2016 4:57 PM
To: johndavies55@rogers.com; Raj Singh, B.Sc., MBA, CEO
Cc: Walter W. Thompson CA CPA Co-President
Subject: RE: Shareholder Dividend Payment on Bronson

John/Walter:

I spoke with Raj and he's talked with Mickey Baratz regarding additional Tier 1 funding below the Vector financing. It appears Mickey has no issue with additional Tier 1 subordinate financing. He advised Raj that I should send the request for the amendment to the Credit Agreement Walter had previously signed. Raj also advised that Mickey didn't have an issue with respect to the \$1 million shareholder dividends on closing.

I will prepare an amendment for Mickey's review, and after Mickey confirms the amendments, I'll forward to Walter for signature.

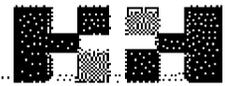
With respect to the Bronson SMI raise, our documents provide that the maximum raise amount is \$16,575,000. Initially the amount of the SMI raise will be limited to \$10,875,000 (such that the SMI funds plus the Vector financing will not exceed the appraisal amount). The documents will allow, at some time down the road, if necessary, the SMI portion itself to be increased up to a maximum of \$16,575,000 (provided an increased appraisal amount would support this quantum plus the Vector loan).

Raj advises that he is trying to close on the \$10,875,000 amount, and it's expected that the shareholder dividend payment will be disbursed from these proceeds. The SMI documents already contemplate the shareholder dividend and do not need to be amended for this purpose.

Let me know if you have any questions about the SMI documents and the financing amounts that can be raised.

Greg

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Fax 905.629.4350
Cell 416.460.2507
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Web www.harrisandharris.com



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From: [johndavies55@rogers.com](mailto: johndavies55@rogers.com) [<mailto: johndavies55@rogers.com>]
Sent: February-08-16 8:41 AM
To: Raj Singh, B.Sc., MBA, CEO; Gregory Harris
Cc: Walter W. Thompson CA CPA Co-President
Subject: Bonus Payment on Bronson

Gentlemen: i'm responding to recent correspondence regarding the bonus payment to shareholders on Bronson.

I think we'd all agree that the payment of bonuses to shareholders from the Tier 1 raises has been gratefully received. It certainly has been in my case. We have a few challenges that we're dealing with that i'd like to present.

If the 1st mortgage lender is prepared to permit another \$1 million behind him that's fine. Good news in fact. Walter was nervous to ask.

We have a larger, more encompassing issue. In the case of McKenzie, the raise was \$10 million, and the amount needed to close was roughly \$4 million. After payment of the \$1 million bonus, there was around \$2 million for staff, consultants, overhead and other operating costs. In the most recent advances for 555 and 525, the amount of the raises after all fees, shareholder bonuses and other deductions netted a relatively small surplus. Textbook repaid \$1.3 million to Scollard and MC from the 555 and 525 advances, and that cash was used to pay \$1 million of December and January interest, which left Textbook little cash to operate with.

The size of the recent Tier 1 raises hasn't been large enough to leave us sufficient cash after payment of all deductions to operate the company. Bronson is the same situation. The quantum of the anticipated net Tier 1 raise on Bronson is close to the closing costs and the bonus, leaving Textbook little additional cash to pay our expenses.

We have the two Ottawa projects, and Ross Park into working drawings. We owe roughly \$1.5 million to the consultants on those projects. We owe consultants for 555 and 525 as well as almost 9 months of work on Shoppers Drug Mart site. The Brock U site is in predevelopment mode. We need cash for consultants to continue work in earnest or work will stop. Add payroll, office expenses etc.

I have mentioned in the past that the issue is the land raises are so large that these is insufficient surplus proceeds to fund operations at the present level. We need to keep our foot on the pedal and advance the projects as quickly as we can or they'll languish. Afer all deductions from the most recent raises there isn't enough to fund the working drawing, planning, engineering and approvals operations underway. We need a couple of raises with \$2 or \$3 million surplus cash to catch up. Unfortunately, the best sites that are close to schhols or in the downtown core aren't cheap, and the net proceeds from the Tier 1 raises aren't enough to cover ops.

Can we raise more capital on Bronson? Can Tier 1 raise a 2nd tranche and pay the bonus from the back end? The Cane appraisal is greater than the sum to the 1st and 2nd mortgages I believe. Hopefully we can raise additional cash on Bronson and pay the bonus and operating cash too.

The next raise for the Shoppers Drug Mart property will be based on a \$15 million Cane appraisal and I think the 1st mortgage lender will permit a larger 2nd. Hopefully the Tier 1 raise for this site will go well and produce substantial net proceeds to clean-up consultants invoices, pay staff and ops for a few months until the next raise.

Lastly, 2nd year interest payments on Ross Park will be upon us soon. We'll need to start bankrolling surplus cash in order to meet interest obligations. Starting that now would be wise.

I wanted to let you know that the projects underway require more funding than is presently available, or available out of the Bronson raise. Raj, can we raise more? Greg, will the documents allow us to raise more as construction financing and still be within the Cane appraisal amount?

I'm thinking out loud. I'm sure there is a solution. None of us want to see the progress grind to a halt. I'm sure there is a solution.

John.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

Appendix “F”

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	
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	1,106,278	\$0.00
Site Work \ Connections									0	737,519	\$0.00
Concrete/Formwork/Parking									0	4,425,111	\$0.00
Masonry									0	491,679	\$0.00
Metals	81,947	81,947	81,947						0	491,679	\$0.00
Carpentry	122,920	122,920		122,920	122,920				0	983,358	\$0.00
Thermal & Moisture Protection	153,650	153,650	153,650	153,650	153,650				0	1,229,198	\$0.00
Doors & Windows	184,380	184,380	184,380	184,380	184,380				0	1,475,037	\$0.00
Finishes	215,110	215,110	215,110	215,110	215,110				0	1,720,877	\$0.00
Appliances \ Furnishings				921,898	921,898				0	1,843,796	\$0.00
Amenity, Specialties				61,460	61,460				0	122,920	\$0.00
Conveying Systems	122,920			122,920	122,920				0	491,679	\$0.00
Mechanical	389,246	389,246	389,246	389,246	389,246				0	4,670,951	\$0.00
Electrical	286,813	286,813	286,813	286,813	286,813				0	3,441,753	\$0.00
Upgrades & other				75,000	75,000				0	150,000	\$0.00
Construction Management	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	0	860,438	\$0.00
Construction Contingency	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	0	491,679	\$0.00
Design & Consulting	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	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	2,615,500	\$0.00
Sales & Marketing	23,676	23,676	23,676	23,676	23,676	100,296	100,296	100,296	0	852,148	\$0.00
Interest & Finance	#VALUE!	117,154	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
HST - Net of rebates								2,490,309	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	300,000	\$0.00
Land Costs	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	0	6,865,724	\$0.00
Total cash payments	#VALUE!	1,858,813	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
CASH REQUIRED	#VALUE!	1,858,813	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
FINANCING:											
Equity advance									-6,350,000	0	Check 50
Mezzanine Mortgage advance									-6,350,000	0	50
Construction advance	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total FINANCING	#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!
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	0
Cumulative 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	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 Advances (Repayment)	0	0	0	0	0	0	0	0	-6,350,000	-6,350,000	0

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	0	0		
3) CONSTRUCTION FINANCING:													
Opening Construction Loan balance	13,857,018	#VALUE!	#VALUE!	#VALUE!									
Current advance (repayment)	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	
Cummulative Construction Loan balance	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	
										Cash Balance	#VALUE!	#VALUE!	
Interest on Construction Loan	57,738	#VALUE!	0	#VALUE!	- Actual interest forecast								
Average Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	#VALUE!	- Budgeted interest	
Interest on Mezz Financing	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	0	1,029,333	- Actual interest forecast	
Average Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	1,029,333	- Budgeted interest	
COMBINED INTEREST	110,654	#VALUE!	#VALUE!	- Combined interest									

555 Princess Street, Kingston, ON
DETAILED CAPITAL COST ASSUMPTIONS

as at 00-Jan-00

00-Jan-00

21-Jul-17

	(1) W.L.P.	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete
				SF / GFA	Units	
				163,893	195	
COSTS						
LAND						
1 Land - Purchase	0	2,000,000	2,000,000	\$2,000,000	\$0	Land incl. Broker fee
2 Land - Appreciation	0	0	0			
3 Title Fees / Transfer tax	0	38,000	38,000	1.90%		% of land purchase
4 Parkland dedication	0	61,140	61,140			2.0% of appraised land value
5 City Dev Charges - Res	0	2,432,094	2,432,094	6.75%	13,512	2015 Greenbelt Rates Inflated 1.4%
6 City Dev Charges - Comm	0	89,490	89,490	6.28%	14.25	2015 Greenbelt Rates Inflated 1.4%
7 Section 37	0	2,000,000	2,000,000	1.50%	155	Allowance for incr units @ \$1,500 per
8 Realty Taxes	0	45,000	45,000	18,000	2.50	Est annual tax x 2.5 years
9 Site improvements	0	100,000	100,000			Allowance
10 Planning & re-zoning	0	100,000	100,000			Budget for zoning approvals
Total LAND	0	6,865,724	6,865,724			
				\$150.00	163,893	Cost
				\$0.00	65	24,583,950
				\$0.00	195	- Surface Parking
						- furnishings and utilities
						24,583,950
CONSTRUCTION						
20 General Requirements	0	1,106,278	1,106,278	\$6.75	\$5,673	4.50%
21 Site Work	0	737,519	737,519	\$4.50	\$3,782	3.00%
22 Concrete Formwork/Parking	0	4,425,111	4,425,111	\$27.00	\$22,693	Including parking structure
23 Masonry	0	491,679	491,679	\$3.00	\$2,521	2.00%
24 Metals/Balcony railings	0	491,679	491,679	\$3.00	\$2,521	2.00%
25 Carpentry	0	983,358	983,358	\$6.00	\$5,043	4.00%
26 Thermal & Moisture	0	1,229,198	1,229,198	\$7.50	\$6,304	5.00%
27 Doors & Windows	0	1,475,037	1,475,037	\$9.00	\$7,564	6.00%
28 Finishes	0	1,720,877	1,720,877	\$10.50	\$8,825	7.00%
29 Appliances \ Furniture	0	1,843,796	1,843,796	\$11.25	\$9,455	Includes in-situ furnishings
30 Amenity equipment \ Furnishings	0	122,920	122,920	\$0.75	\$630	0.50%
31 Conveying Systems	0	491,679	491,679	\$3.00	\$2,521	2.00%
32 Mechanical	0	4,670,951	4,670,951	\$28.50	\$23,954	19.00%
33 Electrical	0	3,441,753	3,441,753	\$21.00	\$17,656	14.00%
34 Construction Management	0	860,438	860,438	\$5.25	3.00%	Estimate of % hard costs
35 Construction Contingency	0	491,679	491,679	\$3.00	2.50%	
Sub-total	0	24,583,950	24,583,950	150.00		100.00%
36 Soils \ Demolition	0	0	0			Included above
37 Building permit	0	0	0	195	0	Included above
38 Municipal fees	0	0	0		0	Included above
39 Insurance / Bonding	0	150,000	150,000	0.100%	30,000,000	Allowance for bonding key trades
40 Purchaser's upgrades	0	0	0			
Total CONSTRUCTION	0	24,733,950	24,733,950	\$150.92		
DESIGN					195	Units
50 Architect	0	494,679	494,679	24,733,950	2.00%	of hard costs
51 Structural Engineer	0	98,936	98,936		0.40%	*
52 Mechanical & Electrical	0	123,670	123,670		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
55 Interior Designer	0	78,000	78,000		\$400	
56 Cost planning	0	15,000	15,000		\$15,000	Allow for take off / CM Contract
57 Inspection & Site Testing	0	73,125	73,125		\$375	Bulletin 19
58 Code consultant	0	15,000	15,000		\$25,000	Allowance
59 Soils \ Geotech \ Environmental	0	50,000	50,000		\$41,000	
60 Acoustic consultant	0	10,000	10,000		\$10,000	Report
61 Sprinkler consultant	0	10,000	10,000		\$19,000	Report
62 Vibration consultant	0	10,000	10,000	4	\$2,500	Monthly monitoring
63 Other consultants \ Studies	0	50,000	50,000		\$53,000	Misc.
64 Printing & disbursements	0	50,000	50,000		\$53,000	Allowance
Total DESIGN	0	1,163,410	1,163,410			

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 sq 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%	Incl above
85	0	100,000	100,000	0	\$100,000 Rental shortfall + Prop mgmnt
86	0	0	0		\$0
87	0	157,000	157,000	6.280	\$25,000 Allowance per sq. (1 years' rent)
88	0	29,260	29,260	18.00%	5-year deal (6% + (4 x 3%))
	0	852,148	852,148		
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 \ legal
92	0	7,200	7,200	\$150.00	48 Monthly 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!		
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		
CONTINGENCY & HST					
104	0	2,490,309	2,490,309	4.94%	\$0,389,869 Allowance for self-assessed HST
105	0	300,000	300,000		Allowance
	0	2,790,309	2,790,309	0	0
	0	#VALUE!	#VALUE!		

Sale:	Constr Start	Closing
75,222	75,222	150,444
-	-	-
75,222	75,222	150,444
366	366	772

1543.0152

Costs	Mezz costs	Net costs
NIC Land App		#VALUE!
#VALUE!	1,664,333	#VALUE!
	Net Loan =	#VALUE!

Stamping Fee	on	one third	of	Constr. Loan
2.50%			33%	\$ 29,400,000
\$ 245,000				

Appendix “G”

Receivership Companies

Summary of Estimated Unearned Management Fees

(unaudited; \$C)

	Scollard	525 Princess	555 Princess	Burlington	Oakville	Kitchener	Legacy Lane	Total
Total Project costs	73,159	33,730	41,878	23,900	27,704	25,579	22,444	248,394
Project costs to date (note 1)	<u>15,946</u>	<u>6,387</u>	<u>7,927</u>	<u>9,553</u>	<u>13,903</u>	<u>11,527</u>	<u>3,478</u>	<u>68,721</u>
Costs to-date as a percentage of total costs	21.8%	18.9%	18.9%	40.0%	50.2%	45.1%	15.5%	27.7%
Total management fees over project	1,803	1,500	2,100	1,500	1,500	1,594	1,122	11,119
Percentage of earned management fees to date	<u>21.8%</u>	<u>18.9%</u>	<u>18.9%</u>	<u>40.0%</u>	<u>50.2%</u>	<u>45.1%</u>	<u>15.5%</u>	<u>29.9%</u>
Expected Management fees to date	<u>393</u>	<u>284</u>	<u>398</u>	<u>600</u>	<u>753</u>	<u>718</u>	<u>174</u>	<u>3,319</u>
Actual management fees paid (note 2)	<u>846</u>	<u>502</u>	<u>801</u>	<u>1,264</u>	<u>1,245</u>	<u>1,201</u>	<u>607</u>	<u>6,466</u>
Estimated unearned management fees	<u><u>453</u></u>	<u><u>218</u></u>	<u><u>403</u></u>	<u><u>664</u></u>	<u><u>492</u></u>	<u><u>483</u></u>	<u><u>433</u></u>	<u><u>3,147</u></u>

Notes

1. Represents all capital raised on the project, including from SMIs, third party mortgages and the preference shares in respect of Oakville. Excludes receipts and disbursements from Davies Developers, which would eliminate on consolidation. Assumes all capital raised was spent on the project.

2. Represents management fees paid as per Exhibit "J" to the Davies Affidavit.

Appendix “H”

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 <greharris@harrisandharris.com>; Bruce Stewart <bwstewart@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 its 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 <raisingsingh100@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: raisingsingh100@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 <raisingsingh100@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>

--
Raj Singh

My LinkedIn Profile:

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

--
Raj Singh

My LinkedIn Profile:

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

--
Raj Singh

My LinkedIn Profile:

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

Appendix “I”

John Davies

From: John Davies <johndavies55@rogers.com>
Sent: June 17, 2016 1:51 PM
To: 'Raj Singh'; 'Gregory Harris'
Subject: FW: \$2.4 million SMI increase on Boathaus

Should we get going on these documents?

From: John Davies [mailto:johndavies55@rogers.com]
Sent: June 1, 2016 11:25 AM
To: 'Gregory Harris' <GregHarris@harrisandharris.com>
Cc: 'Raj Singh' <rajsingh100@gmail.com>
Subject: RE: \$2.4 million SMI increase on Boathaus

Hello Greg:

I met with Raj last week and we discussed the pref. share option and raising equity for the Memory Care facilities per your suggested course of action below. It appears that Raj sees the pref. share opportunity as a better option for Textbook. Raj is looking at the pro-forma information we sent and we'll be getting together to review the various project projections and answer Raj's questions. We'll let you know when we're meeting.

But opposite Memory Care, I'm of the belief that the pref. share option is a longshot for these projects. In that we don't have any other options to fund interest on October 1st without the Boathaus \$2.4 million raise, I think we should start the documents and the raise. Boathaus is a good story. Lots of sales. Investors will want this loan. The net \$1.7 million from a \$2.4 million Boathaus raise will fund 6 months of interest on all the projects.

I don't see an alternative and time will soon become a factor given the summer slowdown.

John.

From: Gregory Harris [mailto:GregHarris@harrisandharris.com]
Sent: May 24, 2016 10:46 AM
To: John Davies <johndavies55@rogers.com>
Cc: 'Raj Singh' <rajsingh100@gmail.com>
Subject: RE: \$2.4 million SMI increase on Boathaus

John:

I think the better alternative is the pref share equity that Raj would work to raise. You don't want to be obtaining financing from Boathaus and then using it to further fund interest payments for other projects.

However, he can't even get this started, unless Walter gets him the information he's been looking for with respect to the pro formas and then discusses the applicable percentage interests that will be granted in the projects.

I've been suggesting this for weeks now, I'm not sure why Walter is not getting in touch with Raj.

there some sort of issue?

Greg

Gregory H. Harris
Harris + Harris LLP
2355 Skymark Avenue
Suite 300
Mississauga, Ontario
L4W 4Y6
Phone 905.629.7800 x 240
Fax 905.629.4350
Cell 416.460.2507
Email gregharris@harrisandharris.com
Web www.harrisandharris.com



HARRIS + HARRIS
BARRISTERS AND SOLICITORS

This e-mail (and its attachments) is privileged and may contain confidential information intended only for the person(s) named above. If you receive this e-mail in error, please notify the addressee immediately by e-mail, phone or fax and permanently delete the e-mail and any attachments.

From: John Davies [<mailto: johndavies55@rogers.com>]
Sent: May-24-16 10:39 AM
To: Gregory Harris
Cc: 'Raj Singh'
Subject: \$2.4 million SMI increase on Boathaus

Good morning Greg:

Based on my conversation with Micky on Friday, it appears we have arranged financing to cover the next round of interest payments at the end of June. We need a strategy for the end of September interest. I am hoping we can use the Cane \$16 million appraisal to raise a further \$2.4 million of SMI cash. Can you please look at the Tier 1 Boathaus documents and determine whether that's an option? Hopefully there is no impediment because I'm not sure where I can get the next \$900K if this isn't available. Four months will go by fast.

Thanks,

John.

Appendix “J”

DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 28th day of September, 2012

B E T W E E N:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "HH")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "Elliott")

WHEREAS HH and Elliott act as counsel to Memory Care Investments (Oakville) Ltd. and 2223947 Ontario Limited, respectively, pursuant to a loan agreement dated of even date herewith (the "Loan Agreement").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "SMPA") in connection therewith:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

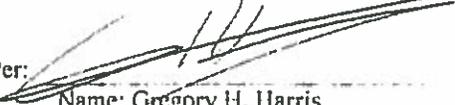
1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom, notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS I.I.P

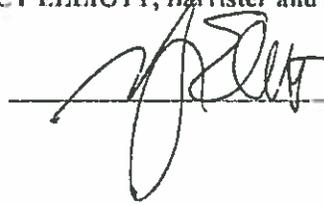
Per: 

Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 2nd day of January, 2013

B E T W E E N:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "**HH**")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "**Elliott**")

WHEREAS HH and Elliott act as counsel to Legacy Lane Investments Ltd. and 2223947 Ontario Limited, respectively, pursuant to a loan agreement dated of even date herewith (the "**Loan Agreement**").

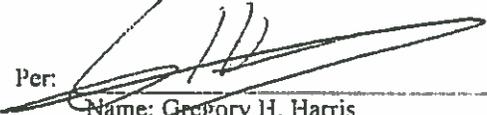
AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "**SMPA**") in connection therewith;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

- 1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.
- 1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.
- 1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.
- 1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

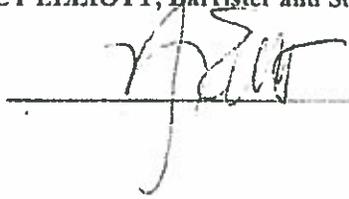
Per: 

Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 1st day of May, 2013

B E T W E E N:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "HH")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "Elliott")

WHEREAS HH and Elliott act as counsel to 1703858 Ontario Ltd. and 2223947 Ontario Limited, respectively, pursuant to a loan agreement dated of even date herewith (the "Loan Agreement").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "SMPA") in connection therewith;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

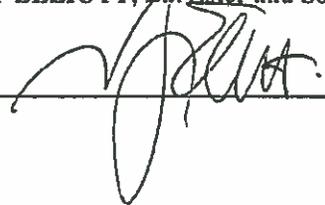
Per: 

Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 1st day of October, 2013

BETWEEN:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "**HH**")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "**Elliott**")

WHEREAS HH and Elliott act as counsel to Memory Care Investments (Kitchener) Ltd. and MC Trustee (Kitchener) Ltd., respectively, pursuant to a loan agreement dated of even date herewith (the "**Loan Agreement**").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "**SMPA**") in connection therewith:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

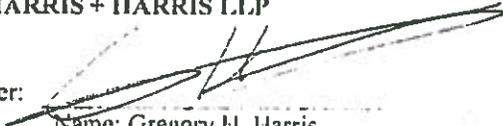
1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

Per:

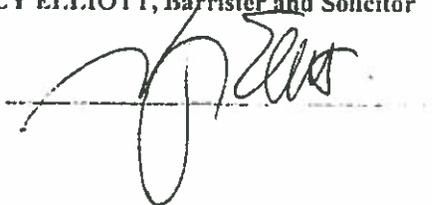


Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 17th day of April, 2015

B E T W E E N:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "HH")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "Elliott")

WHEREAS HH and Elliott act as counsel to Textbook (555 Princess Street) Inc. and Textbook Student Suites (555 Princess Street) Trustee Corporation, respectively, pursuant to a loan agreement dated of even date herewith (the "Loan Agreement").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "SMPA") in connection therewith;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

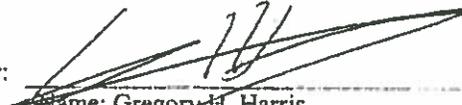
1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

Per:

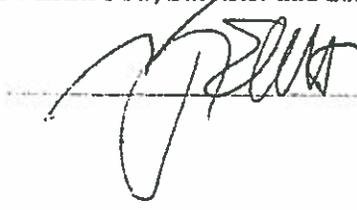


Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 5th day of October, 2015

B E T W E E N:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "HH")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "Elliott")

WHEREAS HH and Elliott act as counsel to Textbook (525 Princess Street) Inc. and Textbook Student Suites (525 Princess Street) Trustee Corporation, respectively, pursuant to a loan agreement dated of even date herewith (the "Loan Agreement").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "SMPA") in connection therewith;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

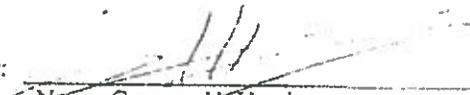
1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

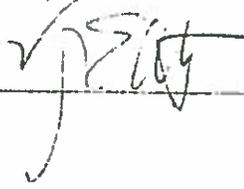
1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

Per: 
Name: Gregory H. Harris
Title: Partner
I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



DELEGATION AGREEMENT

THIS AGREEMENT is made as of the 8th day of April, 2014

BETWEEN:

HARRIS + HARRIS LLP, a law firm limited liability partnership
established under the laws of the Province of Ontario

(hereinafter referred to as "HH")

AND

NANCY ELLIOTT, Barrister and Solicitor, a lawyer licensed to
practice law in the Province of Ontario

(hereinafter referred to as "Elliott")

WHEREAS HH and Elliott act as counsel to Scollard Development Corporation and Scollard Trustee Corporation, respectively, pursuant to a loan agreement dated of even date herewith (the "Loan Agreement").

AND WHEREAS Elliott has arranged with HH that any Interest Reserve (as defined in the Loan Agreement) pursuant to the Loan Agreement shall be retained by HH in the trust account of HH and dealt with and paid out according to the terms of the Loan Agreement and the syndicated mortgage participation agreement (the "SMPA") in connection therewith.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1.01 Elliott and HH, pursuant to the provisions of the Loan Agreement, agree that any interest reserve shall be held by HH, in trust and for the benefit of the syndicated mortgage lenders and paid by HH from its trust account in accordance with the terms of the Loan Agreement and SMPA.

1.02 HH agrees and covenants to disburse the Interest Reserve proceeds held by HH to syndicated mortgage lenders from its trust account and shall be entitled to take no deduction therefrom for any fees, charges or costs of HH or any other person.

1.03 HH covenants and undertakes to provide to Elliott any information reasonably requested by Elliott to verify that the Interest Reserve proceeds held in trust by HH have been used solely to pay amounts owing to syndicated mortgage lenders on their respective due dates.

1.04 By execution hereof HH and Elliott on behalf of themselves and their respective clients, pursuant to Section 4.05 of the Loan Agreement, hereby agree to the delegation of certain mortgage administration and facilitation responsibilities as provided for herein, and HH hereby accepts such responsibilities with respect to the Interest Reserve and payments to syndicated mortgage investors therefrom; notwithstanding the provisions of the Loan Agreement and SMPA.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written on the first page hereof.

HARRIS + HARRIS LLP

Per:

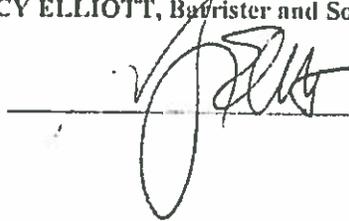


Name: Gregory H. Harris

Title: Partner

I have authority to bind the partnership

NANCY ELLIOTT, Barrister and Solicitor



Appendix “K”

From: Gregory Harris [mailto:GregHarris@harrisandharris.com]
Sent: October-15-13 2:58 PM
To: John Davies <johndavies55@rogers.com>; Peter Matukas <PeterMatukas@harrisandharris.com>
Cc: 'Bruce W Stewart' <bwstewart@rogers.com>; Nicole Cristiano <NicoleCristiano@harrisandharris.com>
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

John:

It is important that you are aware (which I'm sure you are), that if the McMurray investors do not receive their interest when due, it becomes an Event of Default requiring McMurray to notify each investor as to the Default and it triggers a whole host of remedies that become available to the investors.

Peter can advise as to on what date the investors are to receive their interest. In my discussions with Raj, he advises he's going to need at least two to three weeks to get all the investors signed up (assuming they're even accessible); the construction financing is going to be delayed at least that long.

I think that notwithstanding you have people clamoring for payables, it makes more sense to have the funds available for payment, at least partially (on a pro rata basis to investors). The negative goodwill that will be associated with investors not receiving their interest and receiving an Event of Default notice could be dramatic, especially since many of these investors (and possibly more importantly, their agents) are in other transactions or might be solicited for other transactions. I suspect Kitchener will be a complete "no go" once it becomes known that McMurray has defaulted – as well as any further fundings through Tier 1.

Greg

Gregory H. Harris
Harris + Harris LLP
2355 Skymark Avenue
Suite 300
Mississauga, Ontario
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75.629.4350
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From: John Davies [<mailto: johndavies55@rogers.com>]
Sent: Tuesday, October 15, 2013 2:32 PM
To: Peter Matukas
Cc: Gregory Harris; 'Bruce W Stewart'
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Hey Peter:

It appears, based on Greg's last e-mail that we're going to be delayed getting this loan closed. I realize that the McMurray investors are expecting their interest cheques today, but it doesn't look like that is going to happen because the B2B mortgage clerk charged with this is fundamentally obtuse.

We have payables that can't wait, so I'm going to use the Memory Care Investments Ltd. refund from the Victoria deal for those and fulfill the interest obligations to the McMurray investors once this financing closes, hopefully later this week.

Can I trouble you to leave me the refund cheque at reception, please. I'll swing bye and pick it up later.

.nanks,

John.

From: Peter Matukas [<mailto: PeterMatukas@harrisandharris.com>]
Sent: October 15, 2013 2:09 PM
To: Gregory Harris; John Davies; [raisingh100@gmail.com](mailto: raisingh100@gmail.com)
Cc: Nicole Cristiano; 'Bruce W Stewart'
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Greg,

There were 26 B2B investors and 2 Olympia Trust investors – please note that these were the RRSP investors only.

Peter

Peter V. Matukas
Harris + Harris LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
t No. 905.629.7800
x No. 905.629.4350

Email: [petermatukas@harrisandharris.com](mailto: petermatukas@harrisandharris.com)
[www.harrisandharris.com](http: // www.harrisandharris.com)



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From: Gregory Harris
Sent: Tuesday, October 15, 2013 1:37 PM
To: John Davies; rajsingh100@gmail.com
Cc: Nicole Cristiano; 'Bruce W Stewart'; Peter Matukas
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

John:

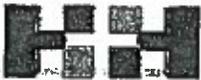
I don't recall, probably about 30 or 40 (only two of the investors were Olympia clients).

Peter:

Can you let us know how many B2B investors there were.

Greg

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From: John Davies [<mailto: johndavies55@rogers.com>]
Sent: Tuesday, October 15, 2013 1:33 PM
To: Gregory Harris; rajsingh100@gmail.com

Cc: Nicole Cristiano; 'Bruce W Stewart'

Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

How many B2B Investors are there?

From: Gregory Harris (<mailto:GregHarris@harrisandharris.com>)

Sent: October 15, 2013 1:14 PM

To: raisingsh100@gmail.com

Cc: John Davies; Nicole Cristiano

Subject: FW: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Raj:

The email string below shows some of the emails between H+H and B2B. I've also had a number of phone discussions with Elizabeth.

It would appear that we're going to have to get all of the B2B investors to acknowledge the postponement for the \$500,000 advance.

We'll need to get each and every one – I'm not sure how long this will take, but hopefully it can be completed in relatively short order.

Elizabeth refers to original copies, I'm going to see if at least they'll take fax/electronic copies. I will also try to see if we can amend the document such that we'd only have to have it signed once and not for every advance thereafter.

Our only other alternative would be to move all the clients from B2B to Olympia; however this probably only makes sense after we've dealt with this issue; since transfers would take many weeks to get completed and would also require payment of closing/transfer fees to B2B.

I'm still going to try for the balance of today to convince B2B that they don't need postponements for each and every advance; but giving the time it will take to get the B2B investors to sign the postponements, we don't have too much time to waste.

Greg

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From: Gregory Harris
Sent: Tuesday, October 15, 2013 12:22 PM
To: 'Andaya Elizabeth'; Candace Tashos
Cc: Maria Da Silva
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Elizabeth:

B2B had already approved the form of Memorandum of Understanding and this is why we used it with every investor advance.

It does not make sense that we're now going back to investors and asking them to confirm/acknowledge the postponement/subordination that they had already agreed to previously. The investors are going to be upset at having to acknowledge again what they had already agreed to.

On the conference call we never discussed the postponement issue as requiring a second approval by all investors. The letter and conference call were referring to future documents that might be required that had not previously been contemplated.

Are you seriously suggesting that every time the borrower gets a construction advance of any amount they have to go back to all of the investors and ask for a postponement each time – the investors have agreed to postpone and subordinate to all construction financing; it doesn't make sense asking them to yet again postpone in each and every case from now on.

Please provide me with the phone contact information for Renata or whatever manager or senior officer I can speak with at B2B about this matter.

Greg

Gregory H. Harris
Harris + Harris LLP
2355 Skymark Avenue
Suite 300
Mississauga, Ontario
L4Y 4Y6
Phone 905.629.7800 x 240
Fax 905.629.4350

Cell 416.460.2507
Email gregharris@harrisandharris.com
Web www.harrisandharris.com



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From: Andaya Elizabeth [<mailto:Elizabeth.Andaya@b2bbank.com>]
Sent: Tuesday, October 15, 2013 12:09 PM
To: Gregory Harris; Candace Tashos
Cc: Maria Da Silva
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Hi Mr. Harris,

Our letter of June 2011 and the conference call by Renata Dzuba with you and Mr. Singh, clearly indicates that we will only consider the B2B Trust/B2B Bank forms for any transaction(s) that may transpire on McMurray Street Investments. I am therefore attaching a copy of the Postponement for Indemnity for completion and signature of the B2B Trust investors.

Based on the information above, B2B Trust/B2B Bank is not in a position to execute the Postponement document until such time that we are in receipt of the original signed copy of the Direction and Indemnity for execution of Postponement.

Regards,

Elizabeth Andaya
Administration Coordinator, Self-Directed Mortgages
777 Bay Street, Suite #2100
Toronto, Ontario M5G 2N4
Phone: 416.865.5632
Fax: 416-941-7709 or 1-866-941-7711
E-mail: elizabeth.andaya@b2bbank.com

From: Gregory Harris [<mailto:GregHarris@harrisandharris.com>]
Sent: Tuesday, October 15, 2013 11:12 AM
To: Andaya Elizabeth; Candace Tashos
Cc: Maria Da Silva
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Elizabeth:

I'm still waiting to hear from you or someone else at B2B about this.

There is a construction funding advance of \$500,000 pending and we need to get this resolved.

Greg

Gregory H. Harris
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55 Skymark Avenue
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L4W 4Y6
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Fax 905.629.4350
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From: Gregory Harris
Sent: Friday, October 11, 2013 3:37 PM
To: 'Andaya Elizabeth'; Candace Tashos
Cc: Maria Da Silva
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Elizabeth:

The Investors, by executing the Memorandum of Understanding that was originally signed by all of them, already granted their permission to postponements for construction financing. If we were to have to do this every time there was a construction financing advance it would not have made sense to have that document in the first place.

The Memorandum of Understanding was prepared in accordance with my discussions with your senior management at B2B. A copy of the Memorandum of Understanding was delivered to you and Janet with each investor closing package.

If you never had the agreement of the clients to the postponement originally then I could see B2B requiring a new postponement agreement now; but each and every one of the clients already agreed to postpone to construction financing.

In syndicated mortgage transactions, it is just too cumbersome to get every investor to sign a postponement for every financing – that's why we solve the construction financing postponement matter in advance, as we did with the Memorandum of Understanding.

This is going to take far too long to track down each client for a signature – especially when they already agreed to the postponement in the first place.

Please let me know if there is someone else I have to speak to at B2B about this.

Greg

Gregory H. Harris
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From: Andaya Elizabeth [<mailto:Elizabeth.Andaya@b2bbank.com>]
Sent: Friday, October 11, 2013 2:58 PM
To: Candace Tashos
Cc: Gregory Harris; Maria Da Silva
Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Hi Candace,

I did receive your e-mail and sorry for the delay of my response.

We refer to the letter addressed to Mr. Harris dated June 11, 2012 in which a copy was also sent to Mr. Raj Singh, the president of Tier 1. The letter refers to, "Only B2B Trust forms and documentation as specified in our "B2B Trust Arms-Length Mortgage" package will be considered. The agreements are only between our client, "the lender or mortgagor", B2B Trust as Bare Trustee and McMurray Street Investment Inc., as "the mortgagee".

Enclosed is the Indemnity for Postponement that we require each investor to complete and signed. The original signed copy must be submitted to us before we can execute the Postponement Agreement. Note that I have briefly mentioned the form to Mr. Harris when we had a telephone conversation on October 8th.

Upon receipt of the original signed copy of the above form, we will be in a position to execute the Postponement Agreement.

Regards,

Elizabeth Andaya
Administration Coordinator, Self-Directed Mortgages
777 Bay Street, Suite #2100
Toronto, Ontario M5G 2N4
Phone: 416.865.5632
Fax: 416-941-7709 or 1-866-941-7711
Email: elizabeth.andaya@b2bbank.com

From: Candace Tashos [<mailto:candacetashos@harrisandharris.com>]

Sent: Friday, October 11, 2013 8:28 AM

To: Andaya Elizabeth

Cc: Gregory Harris; Maria Da Silva

Subject: RE: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Good morning Elizabeth,

I am just following up to confirm that you received my email from yesterday where I enclosed documents for review and execution in relation to the above-noted transaction.

As our construction financing is set to close today or Tuesday, please confirm when you anticipate we can expect to receive a signed copy of the Acknowledgment and Direction from you?

Thank you,

Candace Tashos

Harris + Harris LLP

Barristers and Solicitors

2355 Skymark Avenue, Suite 300

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Email: candacetashos@harrisandharris.com

www.harrisandharris.com



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From: Candace Tashos

Sent: October-10-13 9:14 AM

To: 'elizabeth.andaya@b2bbank.com'

Cc: Gregory Harris; Maria Da Silva

Subject: Postponement of McMurray Street Investments Inc. first mortgage to B2B Bank - Our File No. 12882

Importance: High

Good morning Elizabeth,

Further to your conversation with Greg Harris of our office, please find attached the following documents in relation to the Postponement of the above-noted mortgage for your review and approval:

1. Officer's Certificate of McMurray Street Investments Inc.;
2. Draft Postponement of Interest; and
3. Acknowledgement and Direction re electronic documents.

Kindly review the attached, and subject to your approval, please arrange to have the Acknowledgement and Direction signed on behalf of B2B Bank and return same to me by email at your earliest convenience.

Please note that our construction financing transaction is set to close late this week or early next week so your prompt attention and cooperation is greatly appreciated so we may close without delay.

Should you have any questions or concerns in this regard, please feel free to contact myself or Greg Harris.

Sincerely,

Candace Tashos
Harris + Harris LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. (905) 629-7800 ext. 227
Fax No. (905) 629-4350
Email: candacetashos@harrisandharris.com
www.harrisandharris.com



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John Davies

From: John Davies <Johndavies55@rogers.com>
Sent: March 27, 2014 12:39 PM
To: 'Raj Singh, B.Sc., MBA, CEO'
Cc: 'Gregory Harris'
Subject: McMurray and Whitby Raises.

Hey Raj:

As you know, you'll be starting an aggressive sales campaign to raise \$13 million to fund the Whitby \$9 million land purchase in July, as per our agreement with the vendor.

The \$13 million raise will net us the \$9 million purchase price of the land and nothing else. Over the next 4 months, starting in late month, we are going to spend about \$1.5 million getting Whitby to market. (Use your costs to date on Gullwood and replicate those for Whitby). We already have architect and P+B Whitby invoices for over \$100,000. If we want to have a sales trailer on site this summer we'll be spending a considerable amount of cash (including the land deposit of between \$250,000 - \$500,000) very quickly. Call it \$2 million. In addition, we're racing forward on the 3 Memory Care projects and Huntsville. We do not have cash resources to fund Whitby (\$2 million) and all of our other commitments.

We have an \$8.4 million Cane appraisal on McMurray already. If you can raise \$5.0 million for McMurray, we'll net \$3.5 million, or so from that. We'll repay Pillar's \$1.5 million, get back most of the 2 years of interest we paid Pillar upfront and net around \$1.9 million to fund Whitby and other commitments.

I've mentioned McMurray a couple of times recently and I wanted to bring to your attention that without receiving both Oakville and McMurray raises, we can't afford to fund the \$1.5 million (plus the land deposit) to take Whitby forward over the next 4 months. Like Scollard last year, now that we're incurring huge interest costs because of the \$13 million raise, we need new funding. Raising McMurray AFTER Whitby doesn't help us. We need the McMurray raise proceeds as soon as you can get them.

See you at 3:30 this afternoon.

John.

John Davies

From: John Davies <Johndavies55@rogers.com>
Sent: June 2, 2014 8:24 PM
To: 'rajsingh100@gmail.com'
Cc: 'Gregory Harris'
Subject: Tranche 1 Whitby

Raj:

Was I correct in hearing the 1st Tranche in Whitby for a Labour Day closing is \$11.5 million? If that's the case, we have a problem.

After deduction of T1 fees, interest etc. we'll net \$8.1 million. That means we don't get our \$1 million Whitby deposit returned out of that end of the 1st advance, nor any of the costs we've already disbursed on Whitby, let alone all of the costs we're about to incur. We MUST take advantage of this summer selling season and the favourable zoning we have in place, so slowing this down isn't a good solution.

Here is why:

I have spent approximately \$250,000 on Whitby so far. The sales centre, model, sales materials, TV's and renderings are scheduled to cost another \$500,000. This will be spent by early July. Architects, P+B, landscape architect, Civil Engineering etc. will cost \$250,000 by July. Rental of the sales centre property, building of the sales centre parking lot, entry stairs etc. will cost \$150,000. P+B estimates the full marketing budget at \$890,000.

If we sell 70 condo suites this summer to investors (as we've set out in our pro-forma) we'll owe \$250,000 in commissions.

All-in, this summer, we'll spend say, \$1.5 million on Whitby alone.

We're receiving \$1.9 million from the Oakville raise.

We have several hundred thousand dollars of interest payments (for various projects) to fund between now and end of the summer. We need to pay our office and staffing expenses and I need to re-launch McMurray, launch Huntsville and pay the Memory Care consultants for the technical and construction drawings necessary to get started on construction in August / September and October. I have fixed fee contracts from the Architect and Engineers of \$150,000 per project plus disbursements. Call Memory Care design and construction drawings \$500,000 by September. Call the other projects \$200,000.

So, in total, we'll need \$1.6 million for Whitby. We need \$500,000 for the 3 Memory Care projects. We'll need \$250,000 for interest on various projects, plus \$200,000 for McMurray and Huntsville and another \$200,000 for office expenses and outside consultants. Add \$150,000 for the Oakville settlement with our neighbour. All in, we'll require approximately \$3 million between now and the end of September.

We need the \$800,000 we discussed for Bracebridge asap.

I do not want to put Whitby on a slow boat to China because the market is hot and I think we can hit this out of the park by driving it forward right away. If we lose the summer we'll be sitting in limbo all winter.

Would you consider not raising the 2nd tranche in Whitby? I'll get a Cane "development" appraisal for say, \$15.6 million. With \$11.6 million of Tier 1 cash registered against the Whitby project, we'll have room to fund a further \$4 million of 1st mortgage construction debt in front of it. I can easily raise that amount and we'll have the receipts and invoices from sales centre construction, architects and engineers to justify the \$4 million of Construction funding if OT wants to see it. We'll have a 4th Memory Care site by September and your guys can start that raise and the Memory Care Construction financing earlier by wrapping Whitby up after 1 tranche.

The 1st Tranche is a huge raise all on its own. I will be dead in the water if I have to wait until November to get repaid the \$1.6 million we're spending on Whitby. Memory Care will grind to a full stop without the funds this summer to pay for the Construction documents and arrange our building permits. We'll be out of business with no new cash until November.

It's really the only thing way I can see to fund all our commitments by end of summer.

John.

John Davies

From: John Davies <Johndavies55@rogers.com>
Sent: July 29, 2014 3:56 PM
To: 'Raj Singh'
Cc: 'dianna@memorycare.ca'
Subject: Memory Care and other Payables

Hey Raj:

I'm following up on our status opposite funding. We touched on this briefly yesterday when we discussed the status of the \$3.5 million investor for Boathaus.

Dianna advised me today that we have approximately \$545,000 in current payables. Roughly divided equally between the three Memory Care projects and Boathaus. To date we have spent approximately \$1.5 million on Boathaus. Another \$150,000 current (30 days) and a further \$250,000 in August related to consultants, sales trailer rental and interior fit-out, sales trailer site prep., and Boathaus marketing brochures. All due on or before September 1st.

In addition to the \$545,000 (current) and the \$250,000 in August payables listed above, we have Tier 1 interest payments due in mid-September.

We'll either need Tier 1 to raise the full \$13.6 million for the September Boathaus closing (in order for us to net \$1.6 million) or we'll need the \$3.5 million equity investor contribution.

Without a repayment of the almost \$2 million we have out of pocket (and owing) on Boathaus, we won't be able to meet any ongoing commitments after September 1st.

FYI.

John.

From: John Davies [mailto: johndavies55@rogers.com]
Sent: August 25, 2014 4:27 PM
To: 'Raj Singh' <rajsingh100@gmail.com>
Cc: 'Peter Matukas, LL.B., Associate' <petermatukas@harrisandharris.com>; 'Chris Giamou, CMA' <chris@memorycare.ca>; 'Gregory H. Harris, LL.B, Partner' <gregharris@harrisandharris.com>; 'Brenda Schultz' <BrendaSchultz@harrisandharris.com>; 'Dianna Cassidy, Operations Manager' <dianna@memorycare.ca>
Subject: RE: Documents from Tier 1 (12968)

All:

Not to split hairs but the original closing date was August 18th I believe. We negotiated a closing extension to September 15th. Someone needs to impress upon someone at OT in the strongest possible terms that we need the full \$13.6 million on September 15th. It's a major issue (for all of us) if there isn't sufficient capital to repay the \$1.6 million Memory Care has invested. Raj, please do whatever you can.

John, we acknowledge the great job done by Tier 1 on this large raise but we've been working every day advancing this project with a full team of consultants since our first project management meeting on April 2nd. In order to meet our sales opening deadline of mid-September and capitalize on the Fall selling season we need to pay our consultants, some of whom have already stopped working. We don't want to come this far and delay opening the sales centre until the dead of winter when the market is so hot now.

Greg / Peter, is there anything that can be done to ensure these transfers are completed on time in order to permit the full funding on September 15th?

John.

From: Raj Singh [mailto:rajsingh100@gmail.com]
Sent: August 25, 2014 3:39 PM
To: John Davies
Cc: Peter Matukas, LL.B., Associate; Chris Giamou, CMA; Gregory H. Harris, LL.B, Partner; Brenda Schultz; Dianna Cassidy, Operations Manager
Subject: Re: Documents from Tier 1 (12968)

John:

We have raised the full \$13.6 million as indicated and that is totally accurate.

We are waiting on transfers from OT. As you know, and I have always indicated this to everyone, I have no control over when the funds get transferred into OT by relinquishing institutions.

I can predict but cant control the transfers. I am hopeful that it will all be in but cannot under any circumstances tell you for sure that it will be in.

The \$13.6M was a large raise which started 5 weeks late from the date we expected to commence to be able to close on March 15th. Given when we started and the fact that we got it done (i.e. sold) was an incredible challenge.

/raj

Raj Singh
CEO
Tier1 Advisory

My Linkedin Profile:

<http://ca.linkedin.com/in/raisingsh100>

On Mon, Aug 25, 2014 at 2:31 PM, <johndavies55@rogers.com> wrote:

Raj:

You said 10 days ago the full \$13.6 had been raised?

A \$12 million advance closes the land but doesn't give Memory Care one dollar of the \$1.6 million we have spent to date on Boathaus. We have a further \$350,000 of payables plus payroll and the sales centre is being erected on the 21st of September with \$50K owing on that day.

We are completely tapped out of cash and we were expecting a \$13.6 million close on the 15th.

There are around \$300,000 of interest payments due October 1st on a number of projects and the money to fund that was coming out of the \$13.6 raise. Peter wants that money out of the closing funds on the 15th so he can distribute it on time.

We have zero flexibility on this, Raj.

We have spent or incurred nearly \$2 million in land deposits, consultants fees, municipal applications, sales

centre costs, marketing etc on Boathaus since we green lighted this project back in March and we MUST get it back on the 15th of September.

John.

We have no flexibility whatsoever. We have to close the full \$13.6 million on the 15th or we're seriously fucked.

Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>

Date: Mon, 25 Aug 2014 14:09:22 -0400

To: John Davies <johndavies55@rogers.com>

Cc: Peter Matukas, LL.B., Associate <petermatukas@harrisandharris.com>; Chris

Giamou, CMA <chris@memorycare.ca>; Gregory H. Harris, LL.B, Partner <gregharris@harrisandharris.com>;

Brenda Schultz <BrendaSchultz@harrisandharris.com>

Subject: Re: Documents from Tier 1 (12968)

John:

It is my expectation that you will have the \$12M to close in a first tranche within time to close the land deal. The boxes that are sent to Peter is for files completed where the cash or OT money has been received. I had a brief discussion on this with Greg last week. Depending on the speed of roll overs from the registered funds there could be more. We are monitoring daily.

/raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Mon, Aug 25, 2014 at 2:03 PM, <johndavies55@rogers.com> wrote:

Peter,

I understand from Raj that two additional boxes are coming this afternoon to you. . Seems like you're averaging around \$1.1 million in deals per box. Let's assume you'll have around \$10 million of deals by end of the day. Still \$3.6 million or so to go.

JD

Sent from my BlackBerry device on the Rogers Wireless Network

-----Original Message-----

From: Peter Matukas <PeterMatukas@harrisandharris.com>

Date: Mon, 25 Aug 2014 17:33:50

To: johndavies55@rogers.com <johndavies55@rogers.com>

Cc: Chris Giamou, CMA <chris@memorycare.ca>; Raj Singh, B.Sc., MBA, CEO <raisingsingh100@gmail.com>;

Gregory Harris <GregHarris@harrisandharris.com>; Brenda Schultz <BrendaSchultz@harrisandharris.com>

Subject: RE: Documents from Tier 1 (12968)

John,

I have gone through 7 boxes to date, which has raised just shy of 7.7 million. I have been advised by Tier 1 that additional materials will be provided today. I have already warned OT about the materials coming so they are in the loop and waiting for materials, but I can't provide them until I have had a chance to review them, and then I need you and Nancy to sign the materials.

Thank you,
Peter

Peter V. Matukas
Harris + Harris LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. [905.629.7800](tel:905.629.7800)
Fax No. [905.629.4350](tel:905.629.4350)
Email: petermatukas@harrisandharris.com
www.harrisandharris.com

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-----Original Message-----

From: johndavies55@rogers.com [<mailto:johndavies55@rogers.com>]

Sent: August-25-14 1:31 PM

To: Peter Matukas

Cc: Chris Giamou, CMA; Raj Singh, B.Sc., MBA, CEO; Gregory Harris

Subject: Documents from Tier 1

Hey Peter.

I believe as of last Wednesday you had received 3 of 7 bankers boxes of documents from Jude.

Our Whitby closing is 3 weeks today. Have you received the remaining documents and reviewed them sufficient for me to sign so that we aren't backing OT into a timing corner?

If you are not in receipt of the documents have arrangements been made for their delivery? Thanks. Can you

give me an update please.

John

Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh [mailto:rajsingh100@gmail.com]
Sent: April 29, 2016 4:36 PM
To: John Davies <johndavies55@rogers.com>
Cc: Gregory H. Harris <gregharris@harrisandharris.com>
Subject: Re: McMurray (12140) - April 30, 2016 Interest Distribution

god is looking out for us!

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Fri, Apr 29, 2016 at 4:33 PM, <johndavies55@rogers.com> wrote:

You will not believe this but Dianna just checked the mailbox and there is a Scollard HST rebate cheque for \$55,000. I'll give her the difference. She'll go to the bank and wire the \$68,000 to H+H now. JD.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Raj Singh
Sent: Friday, April 29, 2016 4:13 PM
To: Gregory H. Harris
Cc: johndavies55@rogers.com
Subject: Re: McMurray (12140) - April 30, 2016 Interest Distribution

John:

You don't want to miss this payment. We are obligated now to disclose this on all FSCO forms as we have to assess a developer's financial position and indicate risks. This will most certainly affect Shoppers Deal as we are putting it together right now.

Apart from the above, this will send ripples through the agent's channel that is also very weary of deals with Textbook, Memory care etc.

kindest regards

Raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

<http://ca.linkedin.com/in/raisingsh100>

On Fri, Apr 29, 2016 at 3:48 PM, Peter Matukas <PeterMatukas@harrisandharris.com> wrote:

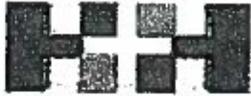
Greg,

We held back \$35,000 upon the Bronson file due its large size as a single tranche closing for the need to create closing books. There are no other funds heldback for legal fees.

Thank you,

Peter

Peter V. Matukas
Harris + Harris LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. 905.629.7800
Fax No. 905.629.4350
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From: Gregory Harris
Sent: April-29-16 3:31 PM
To: joindavies55@rogers.com
Cc: Dianna Cassidy, Operations Manager October 8, 2015; Peter Matukas; Raj Singh

Subject: RE: McMurray (12140) - April 30, 2016 Interest Distribution

I can tell you we would not have held back \$160k for future fees. I suspect the amount is around \$30k – but Peter Matukas would know exactly what amount was held back on Bronson.

Let me find out.

Also, the reputational damage to you, Tier 1 and by association Textbook, on not paying interest will be significant; notwithstanding some or many of the investors were solicited by persons who are no longer involved with first Commonwealth or Tier 1.

Moreover, the present ongoing FSCO Tier 1/First Commonwealth audit will likely be detrimentally impacted by any issues arising from a project where interest is not being paid.

Perhaps you Raj and I should have a call to discuss. I've copied Raj on this email.

Peter:

Let me know what we've held back from the Bronson financing for future legal fees.

Greg

Gregory H. Harris

Harris + Harris LLP

2355 Skymark Avenue

Suite 300

Mississauga, Ontario

L4W 4Y6

Phone 905.629.7800 x 240

Fax 905.629.4350

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From: johndavies55@rogers.com [<mailto:johndavies55@rogers.com>]

Sent: April-29-16 3:16 PM

To: Gregory Harris

Cc: Dianna Cassidy, Operations Manager October 8, 2015; Peter Matukas

Subject: Re: McMurray (12140) - April 30, 2016 Interest Distribution

Greg: We have enough cash available for payroll, rent and utilities. No consultants have been paid. As I mentioned in our last meeting, the issues around the delays obtaining the Whitby refinancing have had huge ripple effects. We used a large portion of the Bronson raise for the last round of Memory Care interest payments. Perhaps the Memory Care cash on hand could be deployed to pay the McMurray interest and repaid from the Boathaus loan in a few weeks. We note from the last breakdown on legal fees that H-H has heldback monies for potential future legal fees. I think these were around \$160K. Given the ongoing legal business, perhaps some of those contingency holdback fees could be released and used to pay McMurray interest. The only good thing about owing money to McMurray investors is the bulk of the investors were those found by the original T1 crew and they are no longer with Tier 1. Perhaps we could send a letter to investors advising we have an offer for the purchase of the property and an interest adjustment will be made upon closing. John.

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Gregory Harris

Sent: Friday, April 29, 2016 2:31 PM

To: Peter Matukas; [johndavies55@rogers.com](mailto: johndavies55@rogers.com)

Cc: Dianna Cassidy; Heather Miller; Dianna Wartnaby

Subject: RE: McMurray (12140) - April 30, 2016 Interest Distribution

John/Dianna:

Please ensure you deal with this today.

As it is we're already going to be late which will be bad enough. Tier 1 will be inundated with calls from investors, if interest isn't received for May 1st.

We don't need any hiccups, at this time, with respect to payment of interest; especially if there is a light at the end of the tunnel with respect to a sale transaction.

Gregory H. Harris

Harris + Harris LLP

2355 Skymark Avenue

Suite 300

Mississauga, Ontario

L4W 4Y6

Phone 905.629.7800 x 240

Fax 905.629.4350

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Email gregharris@harrisandharris.com

Web www.harrisandharris.com



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From: Peter Matukas
Sent: April-29-16 2:29 PM
To: [johndavies55@rogers.com](mailto: johndavies55@rogers.com)
Cc: Gregory Harris; Dianna Cassidy; Heather Miller; Dianna Wartnaby
Subject: McMurray (12140) - April 30, 2016 Interest Distribution
Importance: High

Good afternoon John,

This is an e-mail reminder follow-up upon the March 4, March 22, 2016, April 7, 18, 25 and 28, 2016 e-mails pertaining to the April 30, 2016 interest distribution for McMurray St.- being additional interest for investors who have not received their principal back (presuming it is no repaid in prior to the interest distribution date) as well as those investors who have chosen to continue with the project. Please note that we will require funds to be placed on deposit with us (and made payable to Harris + Harris LLP, In Trust) to pay the next interest distribution, namely \$68,273.91 (please note this is an estimated amount based upon a 89 day quarter and for all of the investors). As there are no funds held in trust from the most recent distribution we will require \$68,273.91 on or before April 11, 2016 if in uncertified format; by April 15, 2016 if the funds are either in bank draft or certified format.

John – we are perilously close to not being able to get the interest distribution cheques out on time if we do not receive the money today (April 28, 2016). Kindly please advise as to when we will be in receipt of the interest distribution monies.

John – we have now (April 29, 2016) been receiving calls from investors as to their interest distributions. We are not able to create cheques to mail out to them without the funds being in our trust account. Kindly please wire the money to HH today so that we may proceed to do so. Absent provision of the monies and payment of the interest, the project will go into a Default position.

Accordingly, please advise when funds will be provided so we may make the interest distributions and repayment of the investors investment amounts.

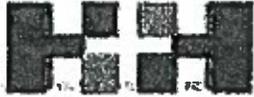
John – this interest distribution is particularly salient given that we are still awaiting an election from one of the investors, and thus all of the investors are stuck and entitled to interest until repayment of their principal regardless of whether they have elected to continue with the project or receive a return of their capital. It is salient to keep investor confidence in the project and not just that they receive the payment but to demonstrate that the delay really is upon that election rather than any other reason. Please forward these monies upon the timelines noted above as we require time to prepare the cheques and mail them out to investors, which monies are due to them for April 30, 2016.

Thank you,

Peter

Peter V. Matukas
Harris + Harris LLP

Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. 905.629.7800
Fax No. 905.629.4350
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From: Peter Matukas
Sent: December-01-14 10:31 AM
To: '[johndavies55@rogers.com](mailto: johndavies55@rogers.com)'
Cc: [gregharris@harrisandharris.com](mailto: gregharris@harrisandharris.com); Brenda Schultz; 'Dianna Cassidy'
Subject: RE: McMurray (12140) - January 31, 2015 Interest Distribution

Good morning John,

This is a reminder e-mail upon my November 3, 2014 e-mail regarding the January 31, 2015 interest distribution for McMurray St. Please note that we will require funds to be placed on deposit with us (and made payable to Harris + Harris LLP, In Trust) to pay the next interest distribution, namely \$70,575.37. As there are no funds held in trust from the most recent distribution we will require \$70,575.37 on or before **JANUARY 12, 2015** if in **uncertified** format; by **JANUARY 16, 2015** if the funds are either **In bank draft or certified** format. We are requesting the funds by this time to permit us sufficient opportunity to create the cheque's in advance and be in a position to distribute same prior to the distribution date.

Accordingly, please advise when funds will be provided so we may make the interest distributions.

Thank you,

Peter

Peter V. Matukas
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Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. 905.629.7800
Fax No. 905.629.4350
Email: petermatukas@harrisandharris.com
www.harrisandharris.com



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From: Peter Matukas
Sent: November-03-14 10:22 AM
To: '[johndavies55@rogers.com](mailto: johndavies55@rogers.com)'
Cc: [gregharris@harrisandharris.com](mailto: gregharris@harrisandharris.com); Brenda Schultz; 'Dianna Cassidy'
Subject: McMurray (12140) - January 31, 2015 Interest Distribution
Importance: High

Good morning John,

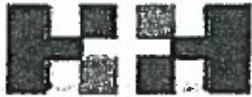
This is a reminder e-mail regarding the January 31, 2015 interest distribution for McMurray St. Please note that we will require funds to be placed on deposit with us (and made payable to Harris + Harris LLP, In Trust) to pay the next interest distribution, namely \$70,575.37. As there are no funds held in trust from the most recent distribution we will require **\$70,575.37 on or before JANUARY 12, 2015 if in uncertified format; by JANUARY 16, 2015 if the funds are either in bank draft or certified format.** We are requesting the funds by this time to permit us sufficient opportunity to create the cheque's in advance and be in a position to distribute same prior to the distribution date.

Accordingly, please advise when funds will be provided so we may make the interest distributions.

Thank you,

Peter

Peter V. Matukas
Harris + Harris LLP
Barristers and Solicitors
2355 Skymark Avenue, Suite 300
Mississauga, Ontario L4W 4Y6
Tel No. 905.629.7800
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John Davies

From: John Davies <johndavies55@rogers.com>
Sent: February 19, 2015 11:15 AM
To: 'Greg Harris'; 'rajsingh100@gmail.com'
Cc: 'Chris Giamou'; 'Dianna Cassidy'
Subject: Memory Care raises

Gentlemen:

Chris is cleaning up a few details in the Burlington and Oakville pro-forma projections. Should have them to Michael Cane tomorrow. Michael has completed his initial review of these two projects so I think we'll see his appraisals for both by March 1st. If we can get them to Peter Tuovi that week and get his work back asap, Tier 1 could be selling mid-March. I'm assuming revised documents and OT sign-off will take a couple weeks. Certainly we could be in the marketplace before the end of March break.

Opposite Kitchener, we could turn Tier 1's guys loose on that raise right away. The first appraisal on Kitchener was for \$6.5 million. Michael's new appraisal is for \$10.6 million. Peter Tuovi and OT have completed their work. The Mintz \$950,000 closed earlier this week and approximately 50% of the net loan amount has been sent back to H+H for the upcoming April 1st interest payments. The balance will retire some pressing payables.

A few notable Tier 1 agents (Jeff Watson / Marcus Patton) have clients with cash in hand wanting to invest in Memory Care. RRSP season ends March 5th. Let's go to market right away for a \$4 million Tier 1 Kitchener Construction raise. Documents could be revised with this new amount fairly quickly and Raj could have his team out selling in the next week or two.

A \$4 million raise nets us say, \$2.8 million. Less \$950K to Mintz. Call it \$1.850 million net.

I'm going to need a chunk of those proceeds to re-pay Bracebridge investors who want their cash returned at the end of April. Walter would like some cash for deposits on student housing land he's chasing.

I'm assuming Michael Cane's Oakville and Kitchener appraisals will be sufficiently increased over the last round of appraisals for Tier 1 to be able to raise say, \$3.5 million on each deal. I think Tier 1 could probably raise those amounts by say, early May if they get the documents etc. by the week of March 9th.

Can we revise the Kitchener documents to permit Tier 1 to be out in the market in a week?

Thanks,

John.

John Davies

From: John Davies <johndavies55@rogers.com>
Sent: February 6, 2017 5:50 PM
To: 'dianna@memorycare.ca'
Cc: 'stephen.beaumont1 stephen.beaumont1'
Subject: FW: \$200,000 loan

From: John Davies [mailto:johndavies55@rogers.com]
Sent: February 23, 2015 6:58 PM
To: 'rajsingh100@gmail.com' <rajsingh100@gmail.com>
Subject: \$200,000 loan

Hey Raj:

Would your relatives still be interested in doing a \$200,000 loan if we repaid them on April 30th with a \$50,000 bonus once Aurora closes?

I netted \$820,000 from the Mintz Kitchener loan and after I paid the contractors invoices for the sales centre in Whitby, other regular payables since December, transferred the \$350,000 interest payment to Harris + Harris for the April 1st distribution we're essentially tapped out. Payroll Friday.

John.

John Davies

From: Raj Singh <rajsingh100@gmail.com>
Sent: January 4, 2016 10:01 PM
To: Chris Giamou; John Davies
Subject: Fwd: # 12066 Memory Care: Burlington sets of drawings

Chris:

Please remember to send me the details on Boathaus to let me see if I can raise the \$6M to take out Firm's \$4M and give the additional \$2M.

/raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

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

From: <rajsingh100@gmail.com>
Date: Wed, Dec 23, 2015 at 12:04 PM
Subject: Re: # 12066 Memory Care: Burlington sets of drawings
To: johndavies55@rogers.com
Cc: Chris Giamou <chris@memorycare.ca>, "Gregory H. Harris" <gregharris@harrisandharris.com>

OK, send me all of the Boathaus information and let me see if I can take out forms \$4m with \$6m first Mtg.

Raj

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: johndavies55@rogers.com
Sent: Wednesday, December 23, 2015 11:22 AM
To: Raj Singh
Cc: Chris Giamou; Gregory H. Harris
Subject: Re: # 12066 Memory Care: Burlington sets of drawings

By Raj:

MC and Scollard received \$1.3 million in loan repayments from the last two T-1 raises. Used \$900K for the December quarterly interest payments sent to H+H, used \$250K for costs for Boathaus launch, the rest for overhead and a few consulting invoices past 60 days. We have \$700K available in Textbook various accounts until Fengate can fund Ross Park in February.

This cash shortage is a result of closing large raises on expensive sites with very little surplus proceeds being retained to fund operations. Need a couple of smaller raises back to back that put a couple million in the coffers.

There are Project Mgt fees that will start to flow on Ross Park

I spoke to you and Greg about raising some new financing (\$2 million) on Boathaus. We'll use some of those proceeds and the Oakville 20% equity cash to reinstate Burlington SPA and pull the site alteration and foundation permits.

I certainly would have preferred to give the City \$250K in November, but the looming interest payments needed to be secured ahead of that.

I am not worried about reinstating SPA in Burlington. It's a matter of giving them a cheque and re-filing. It's a civic cash grab.

Can we go to market in January and raise \$2 million cash on the back of our successful September Boathaus launch? An increase of \$2 million to the Tier 1 loan is \$2 million below the \$16 million Cane Whitby appraisal. I'm guessing that investors would be impressed with the progress made on Boathaus and that \$2 million would be fairly straightforward and quick. I assume we would need new loan documents but I imagine the Cane appraisal is still usable as it's less than 24 months old.

JD

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Raj Singh
Sent: Wednesday, December 23, 2015 8:32 AM
To: John Davies
Cc: Chris Giamou; Gregory H. Harris
Subject: Re: # 12066 Memory Care: Burlington sets of drawings

Hi John:

I am working on the equity but no firm timeline when I can complete it.

You indicated that you were going to have \$750K paid back to Memory Care from Textbook from the Kingston closing. Can you use that now to get it started?

I am sure we will need the equity raised to start paying Varcon for their work and keep raising money in the meantime.

/raj

Raj Singh
CEO
Tier1 Advisory

My LinkedIn Profile:

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

On Wed, Dec 23, 2015 at 10:21 AM, <[johndavies55@rogers.com](mailto: johndavies55@rogers.com)> wrote:

To keep the SPA current will require a \$250,000 payment. We held off making the payment to the City in November because of the nearly \$1 million of interest payments owing in December. We can re-instate our SPA status (City likes everything) with the \$250,000 payment. Raj is raising \$3 million equity for Oakville and additional equity for Burlington. As soon as we recapitalize, we can give the City their DC's and move forward in earnest. I understand the Oakville equity is imminent. JD

Sent from my Porsche Design P'9983 smartphone from BlackBerry.

From: Chris Glamou
Sent: Wednesday, December 23, 2015 7:53 AM
To: [johndavies55@rogers.com](mailto: johndavies55@rogers.com); 'Raj Singh'
Cc: 'Gregory H. Harris'
Subject: RE: # 12066 Memory Care: Burlington sets of drawings

I was surprised by Fernando's email. I had no idea that the SP Approval had lapsed.

I have emailed him and left him a vm message, asking if we can get a meeting with Burlington staff to fast track this.

He must be on vacation. We will make this a priority once he is back in the office.

-Chris

From: [johndavies55@rogers.com](mailto: johndavies55@rogers.com) [mailto:[johndavies55@rogers.com](mailto: johndavies55@rogers.com)]
Sent: December 22, 2015 6:31 PM
To: Raj Singh <[rajsingh100@gmail.com](mailto: rajsingh100@gmail.com)>; Chris Glamou <[chris@memorycare.ca](mailto: chris@memorycare.ca)>
Cc: Gregory H. Harris <[gregharris@harrisandharris.com](mailto: gregharris@harrisandharris.com)>
Subject: Re: # 12066 Memory Care: Burlington sets of drawings