

Earn a projected 14% on this mortgage investment.



FILE #M-04-01 66 Room Student Housing – Waterloo, Ontario

Project:	The Project is a 66 room, 14 unit student housing apartment building to be constructed right across the street from Wilfred Laurier University, in Waterloo, Ontario. Units will be rented to students. The Borrower will sell the completed project to investors.
Borrower:	The Borrower is a private company owned by three principals. The Borrower has experience building and selling similar projects in Waterloo.
Anticipated Funding Date:	November 15, 2004
Loan Amount:	\$425,000
Investor Interest Rate:	14% per annum payable monthly from the Borrower's own resources.
Term:	9 months from First Advance
Purpose:	To fund a portion of the site purchase and development costs.
Security:	Second Mortgage on the property subject to a construction loan first mortgage not to exceed \$2,200,000. Personal guarantees of the three principals of the Borrower. Assignment of rents, etc. subject to the rights of the first mortgage holder.
Appraised Value:	\$3,300,000 upon completion
Borrower Equity:	\$125,000 cash (23% of the total equity) \$275,000 on appraised value (39% of appraisal)

As with any mortgage investments, there are risks. Mortgage investments include, but are not limited to, fluctuations in the value of the security, un-funded portions of the mortgage and default by the Borrower, expenditures required to protect the value of the security, and other risks specific to the property and the economy. There is no guarantee of the return of principal, interest or participation.

Full documentation is available to the Investor, including appraisal, credit reports, environmental assessments, engineering reports, surveys, etc. Documentation may vary for each investment. We encourage Investors to review all documents prior to the investment being made.