

# Kelowna mortgage investment with a projected 17% return



## FILE #M-05-02 42 unit condominium development – Kelowna, B.C.

<b>Project:</b>	A 42 unit condominium complex with underground parking to be constructed in the Rutland community of Kelowna. The Borrower proposes to sell all 42 units to individual purchasers.
<b>Borrower:</b>	A single purpose company formed to purchase the site and develop the project.
<b>Funding Date:</b>	March 17, 2006
<b>Loan Amount:</b>	\$1,480,000 (Includes \$170,000 in interest reserve).
<b>Investor Interest Rate:</b>	10.0% per annum payable monthly.
<b>Additional Interest:</b>	Additional interest of \$2,200 for each condominium unit sold and closed subsequent to the date of investment will be paid to investors. As funds are received by Gibraltar/ Mezzanine Fund Inc. they will be distributed to individual investors according to their proportionate share of the investment and pro-rated from the date of their investment.
<b>Term:</b>	13 months
<b>Purpose:</b>	To provide funds to re-pay a portion of the existing financing on the property and for approved pre-development and development expenses
<b>Security:</b>	Second Mortgage on the property subject to a first mortgage not to exceed \$4,750,000. Personal guarantee of the principals of the Borrower. Assignment of rents etc. subject to the rights of the first mortgage holder.
<b>Appraised Value:</b>	\$7.4 Million
<b>Borrower Equity:</b>	\$383,000 (23% of the total equity)

*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.*