

Stratford mortgage investment with a projected 16% return



FILE #M-05-03
60 unit condominium development – Stratford, Ontario

Project: A 60 unit luxury condominium complex with underground parking in Stratford, Ontario. The Borrower proposes to sell all 60 units to individual purchasers.

Borrower: A single purpose company formed to purchase the site and develop the project.

Funding Date: December 12, 2005

Loan Amount: \$3,400,000 (\$2,845,000 to be advanced for development and construction costs plus \$555,000 interest reserve).

Investor Interest Rate: 16% per annum payable monthly

Term: 19 months from First Advance

Purpose: To fund approved construction and development expenses

Security: Second Mortgage on the property subject to a first mortgage not to exceed \$11,100,000.

Personal guarantee of the principals of the Borrower.

Appraised Value: \$17,475,000

Borrower Equity: \$980,000 (26% of 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.

the mezz fund

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