

***Canadian Rocky Road Construction &
FACES UnBanked Worldwide Joint Venture***
Real Estate Development Retirement Housing Division

Research & Concept Development
Executive Summary

for an
Innovative Retirement Housing Model

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Concept Historical Origins:

The roots of this financial model for providing free Retirement Housing with a guaranteed income benefit, stem from a student housing project created and implemented by the author while on a university students' exchange program in Lafayette Indiana, in 1973.

The inherent problems associated with the traditional financial model being utilized in the provision of housing for those students, may be quickly summarized as follows:

An average of 8 to 10 students lived in converted single family communal housing, owned by private landlords. Students each paid an average rent of about \$150 per month, or the equivalent of about \$7,200 for a 4 year term of occupancy.

Students were disgruntled with landlords, because landlords would continually delay needed repairs and simply ignore requests for needed improvements or maintenance. Landlords were disgruntled with students, claiming students were reckless, and were continually damaging the property. Landlords rarely, if ever returned any damage deposits.

There were a few hundred students living like this in literally dozens of houses that were typically referred to by local residents as the "University Slums". Everybody complained continually - all the time - incessantly - drove the author nuts in the first 2 days of his exchange program, but essentially, both sides were correct. The students did cause lots of careless damage, and the landlords did neglect and ignore the needed repairs; and the neighborhood looked like a disaster.

With the help of a local realtor, the author learned that these existing rental houses were worth about \$35,000 each at the time. The author then approached the students with this proposal.

Every student will raise \$5,000 to put toward the group purchase of a house. Assume 8 students, which would mean a total budget of \$40,000 per house (*or more in some instances with 9 or 10 students*). Since houses would only cost about \$35,000, this would leave them with \$5,000 per house to put into a fund for property insurance, maintenance and repair needs. A not-for-profit students' housing association would be formed to administer the project.

Students would have from 1 year to 4 years left in their University term, and upon graduation they would hand their unit over to the students' association in exchange for a refund of their \$5,000 and the association would then sell that unit

to a new student for \$5,000 (*regardless of the length left in their term*), who would in turn do the same thing upon his or her graduation, and so on.

The question came up: "Where do we get the first \$5,000?" The answer was obvious. They were already getting about \$7,200 housing allowance, either from a students' loan program, or from "Dad", none of which they had any definite plans about how to pay back. With this new concept, they only needed a \$5,000 total housing allowance, and they knew precisely how they could, and would pay 100% of it back, leaving them with that much less debt upon graduation. Both Dad and the students' loan administrators were pleased.

After a preliminary presentation to the fellows in the house visited by the author, the students arranged a meeting of the general students' body, at which time the concept was fully explained. Several student reps were appointed to work with the author together with three local realtors to put options on as many houses as possible. A few dozen options were arranged, which all closed within 30 days and the students were thrilled, as were their parents and/or their loan administrators.

Essentially they were now all enjoying "free" housing. As a bonus, they took pride of ownership, implemented large scale repairs and updating, and generally caused an improvement to the entire neighborhood involved. Later, they even negotiated a tax break from the local city council, due in part to their not-for-profit student status, but mostly due to their efforts to improve the neighborhood(s).

The success of this new students' housing model can be largely attributed to a "market acceptance" of the problems inherent with the pre-existing housing model. The problem with their old housing model was simply that students had been victims of excessive profiteering by the financial intermediaries. Once that profiteering was recognized, the solution was simply to re-organize their existing financial realities, to get rid of the profiteers (*landlords*).

Evolutionary Concept Development:

A Deterministic Algorithm:

That student housing solution, has evolved into an innovative Retirement Housing Project Concept. The Project is premised on a unique conceptual model, applying pure mathematical logic to demonstrate effective and predictive calculability, that enables virtually infinite recursion in relation to the perpetual and unlimited regenerative utilization of equity capital.

The nature of this deterministic algorithm as it is applied for this Concept, results in the ability to cause the infinitely recursive development of free retirement

housing living units and guaranteed pension income benefits for the owners of those housing units, without any competitive limitations as to size of units, price of units, quality or style of units, location of units, or even domestic or global economic variables that often restrict or otherwise limit conventional real estate and housing developments.

The author acknowledges having already caused the actual application of an aspect of this algorithm to provide the free university student housing, and has determined that in addition to the Retirement housing model explained herein, variations of this algorithm may be successfully used to develop free housing for first time home owners, free retail and or commercial space for business tenant/operators, and other practical applications, all of which result in significant cost savings for the participants, bolstering local economic growth and creating higher profit margins for the property developer(s) involved.

The algorithm does not require any “new” financial components, or unusual market conditions, merely a reconfiguration, or re-orientation of the conventional financial components existing in current real estate development and financial models.

Abridged Demo Model for Development & Sale of \$100,000 of Concept “Product”:

Development of “Unit #1”:

- \$ 20,000 = normal (25%) minimum developer equity required;
- \$ 60,000 = normal (75%) maximum debt financing to enable development;
- \$ 80,000 = total (100%) development costs of Unit #1;

Sale of “Unit #1”:

- \$100,000 = (100%) proposed competitive sales price of Unit #1;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #1;
- \$ 20,000 = (20%) conventional or normal profit margin;

Development of “Unit #2”:

- \$ 20,000 = (25%) developer equity derived from sale of Unit #1;
- \$ 60,000 = normal (75%) new debt financing to enable development of Unit #2;
- \$ 80,000 = total (100%) development costs of Unit #2;

Sale of “Unit #2”:

- \$100,000 = (100%) proposed competitive sales price of Unit #2;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #2;
- \$ 20,000 = (20%) conventional or normal profit margin to be applied as 25% equity component to develop Unit #3, and so on, and so on.

The above Model is a very limited representation of the algorithm, and is meant simply to provide an initial insight into the inherent mathematical logic that drives the Concept, and it clearly does not reveal or explain any aspect of the Concept's profitability or other financial benefits generally.

The author hopes that the Attached Concept Proforma Financial Analysis and accompanying Notes will enable the reader to establish a more comprehensive working knowledge of the applied algorithm and conceptual benefits.

Recognizing Problems Inherent to a Traditional Financial Model:

i) Instability & Volatility of Retirement Housing & Housing Costs in General:

In just a couple of generations, we have seen average Canadian house prices rise by a factor of over twelve times. It is typical for a home that was priced at around \$30,000 in 1975 to be currently valued at around \$360,000 or more, regardless of where in Canada that house may be located. Larger cities with population densities that are much higher, have experienced proportionately greater housing price increases. Housing costs are central to the basic cost of living.

Per capita incomes on the other hand, have not increased at the same rate. Rather they have lagged behind at somewhere around four times what they were that many years ago. In 1975, an average public high school Principal's salary was in the \$12,000 to \$15,000 range. Now, an average annual salary for that same position is only about \$48,000 to \$60,000. Individual buying power is 2/3 smaller just in that short time and continues to shrink dramatically.

This existing disparity that has grown between our current housing costs and our current disposable income creates a financial dilemma that most are not able to surmount without either significantly reducing their standard of living, or significantly increasing their financial debt load.

ii) Failing, Potentially Failing & Inadequate Pensions & Retirement Income:

Other aspects of our general economic conditions have also changed dramatically in recent years. In 1975, and throughout most of the 1980's and even into the early '90's, concerns over mismanaged, dwindling or potentially failing pension funds were rarely taken seriously. Nor for that matter, were people generally concerned with the lower standards of living that retired people would face due to higher debt loads. Higher house prices, lower relative wages, mismanaged and/or insufficient pension funds, and higher personal debt loads were not yet generally accepted concerns for potential retirees. Interim denial of these issues was relatively normal.

Things have since changed. The general perception of our economic realities now includes a much wider acceptance that the pay-out capacity required of pension plans was never adequately planned for. And worse, many of these plans that we now know to be much too small to serve any practical purpose, have been mismanaged and are moving toward potential, if not complete failure. People generally, and particularly those nearing retirement age, are facing another financial dilemma that most will not be able to surmount without yet another significant reduction in their standard of living.

Solutions Beyond Theory:

i) Some Basic Assumptions:

The compositional solution to nearly every financially problem may be inherently premised within the very nature of the problem itself. The solution to the students' housing problem was earlier demonstrated to be found via a simple re-configuration of the existing financial model - no "new" ingredients *per se*, were required. We may discover the solution to spiraling housing costs, declining retirement incomes and pensions within the details of the current financial model for those same retirement housing costs, incomes and pension plans, if we look hard enough.

This concept is not "new", yet it is revolutionary in terms of its new and innovative approach to applying existing financial realities. For example, there is nothing new about the law of reciprocity: "*the greater our gifts to others, the greater our rewards will be*", yet this law is generally not applied with regard to housing development, or when planning for retirement incomes. Likewise, there is nothing new relative to the wisdom associated with *long term planning*, as in planning for 25 to 50 years, yet it has been typical for both real estate owners and developers in North America to limit their effective planning to only 1 to 5 years at a time.

The timing for implementation of this new retirement housing model can be largely attributed to the current "market acceptance" of the existing problems. The problems with the old model for retirement housing and income security have been largely due to excessive profiteering by financial intermediaries. Banks, financial services industries and pension fund administrators have not contributed a proportionate share of the equity, yet they have enjoyed the 'lion's' share of the profits in the form of fees for services, or non-productive input.

ii) A Conceptual, yet Practical Solution:

Let's imagine creating the perfect solution to this problem. Let's start with competitively priced, quality retirement housing. Then let's add a guaranteed income benefit equal to 100% of the price of that housing, paid over 10 years. And then let's add a guaranteed buy-back of that housing for an additional 100% of the price of that same housing, paid in 15 years. And last but not least, after having received those first two benefits, let's then add the right to live free in that same housing thereafter for the rest of your life!

That's the dramatic result easily demonstrated by application of this unique deterministic algorithm. Simply re-organizing the existing components within the current financial model can accomplish all these benefits for Canadians. Nothing "new" is required, other than a willingness to re-direct the same old financial components with new objectives in mind.

This concept is simple, yet there are a few practical assumptions to review first. Industry standard profit margins for real estate development are commonly expected to be in the 20% range, meaning 20% of the sales price is normally a net profit margin. Also it is common to finance the cost of real estate development in two parts. The first part is 75% of the actual cost (*not the sales price*), and is normally done with conventional "debt" financing provided by conventional or institutional lenders. The second part is the "equity" component, commonly provided by the property developer or proposed home owner, or some form of joint or co-venture between the developer, the home owner and or third party investors.

By extension of these assumptions, it may be concluded that the initial equity financing in a given property development of 25% of the product cost, may be returned to the equity provider(s), upon the sale(s) of the subject living unit product from the 20% of profit margin on those sales. This leaves that 20% development profit margin component of that same project available to be re-invested as the 25% development equity component of another similar project, which will by the same assumptions, generate another 20% return on that re-investment (R.O.I.), and if that 20% profit was in turn re-invested as the 25% equity component of another similar project, and so on and so on, these subsequent re-investment amounts would always generate another 20% profit, which is equivalent to a 25% equity component of the subsequent product, and so on, and so on.

This is essentially, a perpetual, and perpetually compounding, self-funding capacity, resulting in a virtually guaranteed supply of development equity, plus a

guaranteed Developer's profit potential, so long as the market remained for the product being developed, and so long as the product users are restricted to a time certain occupancy limit.

iii) Create Stabilized Housing Prices on National Basis:

The product is this. Buyers of the age 55 or over, would be offered competitively priced housing with two unique advantages. First, they would receive a guaranteed pension income commencing right after their 5th year of occupancy, in the amount of 10% of their purchase price, paid to them each year for 10 years, totaling 100% of their original purchase price. Second, they would receive an additional 100% refund of their purchase price, right after their 15th year of occupancy. They would also retain the right to live free in the property thereafter for the rest of their life (*some limitations may be applied*).

From a retirement couple's or individual's point of view, this type of purchase/investment is several hundred percent more efficient than buying their retirement housing using any of the conventional methods that currently exist. The Developer(s) that deploy this concept will enjoy the potential to provide retirees in Canada with a guaranteed pension alternative, plus a free house for them to live in for the effective remainder of their lifetime. It may also be an effective manner by which such a forward thinking Developer(s) could unilaterally eliminate dependence upon existing third party pension plans, while also stabilizing national housing prices, thus virtually eliminating any relationship between the cost of living index or inflation insofar as it may relate to actual retirement housing costs or retirement and pension incomes.

iv) Create Secure Retirement/Pension Income Alternatives:

In Canada, if this concept were taken to a little over 2% of the estimated new housing starts over a 15 year period (*calculated for 5 years starting from 2016 using zero growth in housing starts after 2016*), the Developer(s) would have built approximately 80,000 units and made about \$10.6 Billion in after-tax profit, which equates to sufficient available equity to build another \$53 Billion worth of housing in the following year, with exponential growth thereafter. Further, these same Developer(s) would have paid over \$2.3 Billion toward a committed \$106 Billion in guaranteed pension income to those retired home owners. Such a financial contribution holds the potential of forever "fixing" the national economy in terms of stabilizing national housing prices and pension incomes for at least 50 to 60 years.

Will we run out of potential retirement housing market in Canada by then? It is doubtful, but it is of no real consequence. The properly prepared Developer(s) could always use that same available equity to build new homes for first time home owners, and guarantee those new home owners an early pension income equal to the value of their home purchase, plus an additional refund of their entire purchase price. These first time home owners would then be able to independently guarantee their own financial stability throughout their retirement, and live completely free of any concerns relative to any alleged pension plans, or associated housing costs, adding another 30 or more years of stability to that same housing market.

There are no current circumstances, nor is there any potential event that the author is aware of that could cause the concept to fail, unless people stop dying (*or in non-retirement applications of the concept, the Developer(s) forget to set a term limit on the occupancy*). If conventional interest rates climbed even to a point of being above 20% annually, then the concept may have an even greater positive impact on it's proportionate share of the economy, while it would still maintain a profitability factor for the Developer(s) of many times higher than building and selling housing in any of the conventional manners.

Redefining the Real Estate Developer's Role in Society:

Prior to the Second World War, there was apparently only one family in the entire world with a net worth of over one billion dollars. By the year 2015 there were over 1,830 recorded billionaires and this number is growing exponentially. Yet the vast majority of the world's nearly 7 billion inhabitants are worth far less now than at any time past. Shortages of adequate housing and dignified retirement incomes are significant in North America, but pale in comparison to the rest of the world's nearly 6 billion people that suffer not only more greatly from these same things, but also from a genuine lack of clean water, clean air, healthy food, employment opportunities, and safe sustainable energy.

Our society has become less financially homogenized than ever before. The rich are now exceedingly excessively rich. Even the more well-to-do among the rest of us, are far, far, far down the food chain in comparison to those in the new and growing multi-billionaires' club. Each and every one of these billionaires has made their money at the expense of the remaining majority of less fortunate citizens. Simply expressed, this is "capitalism" at its finest – fees supposedly earned for services that are inherently unnecessary, non-productive, non-contributive, and for the most part, obsolete, in spite of being culturally habituated. Honestly expressed, this capitalism, is "profiteering". It's legal and it's good business, yet it is universally unfair - and that makes it clearly morally deficient.

A majority of these new billionaires have risen through profiteering in the banking and financial services industries, including pension fund administrators, and a few in the information administration industry, among a few other select industries, almost none of which actually produce anything of tangible substance, or real value, nor do they even employ significant numbers of average people any more. The author is not criticizing these individuals, rather simply pointing out that this current model has not been working for the benefit of the vast majority of average citizens. Just like the example of the former students' housing, wherein the model did not work for those students because of similar profiteering that existed. When the students finally accepted this, and took action to change that part of the equation, they and their local community benefited immensely.

Canadians can now make similar choices with regard to their retirement housing needs and their retirement income and pension potential. Analysis of this futuristic concept proves that the forward thinking Developer(s) who opts to apply it will not only provide tremendous financial help and benefits to his clients and society in general, but will make infinitely more profit over the long run as well. This is truly a win-win-win formula, premised upon the law of reciprocity – the more we give, the more we deserve to receive. *(Or, the less we allow to be stealthily siphoned off from our productivity, by those non-productive non-essential service providers in our society, the more value we producers of real value can collectively retain.)*

Designing for our Future:

Innovative approaches are also needed to address the world's energy needs, while simultaneously transitioning toward low-carbon, earth-sustaining, inclusive energy systems. We live in a unique moment in the history where decentralized energy networks are rapidly spreading, based on super-efficient end-user appliances and low-cost photo-voltaic and energy producing systems, designed to use renewable energy sources such as small hydro, bio-mass, bio-gas, solar power, wind power, geothermal power, wave & tidal power, and other ingenious methods that increasingly play an important role in lowering environmental impacts and improving the safety and security of our energy supply.

We envision the incorporation of these types of centralized on-grid electricity, local or mini-community grids, and distributed, individual energy services in support of all of our contemplated retirement housing development projects, where the energy of our future will be produced, managed and stored close to, or by individual consumers, using a variety of small, grid-connected or distributed energy resource systems, built naturally into every housing development.

A sustainable energy future where these now affordable, efficient, and reliable technologies are finally being deployed in community driven markets that are at last being enabled by progressive public policies and by equally progressive private developers is vital.

It is no longer sufficient, simply to label well constructed, well-insulated buildings as “energy efficient”. New structures, whether purposed for residential, commercial or industrial uses, should always be designed to include integrated, efficient energy production and energy management systems.

**Notes & Assumptions to:
“Free Retirement Housing and Guaranteed Income”
Conceptual Analysis**

Disclaimer:

These Proforma Statements were prepared using the best and most reliable information available at the time of preparation. These Proforma Statements have been reviewed by independent professionals and are deemed to provide a reasonable and realistic Proforma Analysis and Construction Cash Flow for the subject project.

All aspects of the project proforma costs estimates and contingency allowances utilized in the preparation of this statement are considered conservative, and fall well within industry standard parameters and well within current and anticipated market expectations for projects of this scope and magnitude, and are supported by independent professional opinions where appropriate.

Notwithstanding anything contained in these Notes and Assumptions or in the associated Proforma Statements, the estimates for costs and expenses as set forth herein and the estimates for timing as set forth in the Schedule or in the Proforma Statements are all subject to amendment or adjustment to reflect any changes required due to inherent errors or due to events or actions taken or caused by city, municipal, provincial or other government authorities, or due to any other reasons beyond the control of the author.

Purpose:

- i)** These Proforma projections have been prepared to demonstrate the financial viability of the proposed concept, and are intended as representing examples of the Concept’s financial viability if the concept were applied. No specific project has been given consideration.
- ii)** These Proforma projections & Notes & Assumptions have been generated for the purpose of determining the economic feasibility and financial viability of proceeding with an actual model of the subject Project; and to demonstrate the contemplated ratios of Equity, Debt & Bridge Capital Financing requirements to complete such a Project.

General Notes:

- 1.** The most accurate and reliable information available at the time of preparation of these statements was utilized.
- 2.** The three (3) spreadsheet example scenarios depicted herein, represent the application of the concept as reduced to \$100,000 increments, \$400,000 individual living units, and finally, a 100 unit project with individual living units valued at \$400,000 each.
- 3.** In these model scenarios, it is assumed that the initial, or start-up equity will be returned to the equity provider(s) upon completion of the sales of the initial units built with that equity. A one (1) year build/sell time period has been utilized for demonstration purposes.
- 4.** For purposes of these example scenarios, it has been deemed unnecessary to complete any detailed break down the projected cost components related to the

acquisition of land, design fees, construction costs, interest, marketing, management, administration, etc., as these demonstrations are intended to reflect a typical project with typical costs as found within industry standard norms. Since these amounts may be generally considered to be generic percentages of the whole cost, normal variances from one project to another will not significantly impact these examples.

5. These Proforma statements have been prepared based upon specific assumptions and are intended for discussion and information purposes only, and shall not be construed as representing any actual or real circumstances, nor deemed to reflect any type of investment or other financial advice. Interested parties are cautioned to seek independent professional advice with regard to all aspects of this information.

6. These unaudited Proforma Concept Financial Analysis statements have been reviewed by independent professionals and are deemed reasonable and realistic for the purposes intended, and are deemed accurate and reliable within industry standard parameters.

Deterministic Algorithm:

This Project Concept is premised on a unique conceptual model, applying pure mathematical logic to demonstrate effective and predictive calculability, that enables virtually infinite recursion in relation to the perpetual and unlimited regenerative utilization of equity capital.

The nature of this deterministic algorithm as it is applied for this Concept, results in the ability to cause the infinitely recursive development of free retirement housing living units and guaranteed pension income benefits for the owners of those housing units, without any competitive limitations as to size of units, price of units, quality or style of units, location of units, or even domestic or global economic variables that often restrict or otherwise limit conventional developments.

For simplicity, the author acknowledges, yet refrains from fully disclosing or explaining herein, that the author has already caused the actual application of this algorithm to provide free university student housing, and has determined that variations of this algorithm may be successfully used to develop free housing for first time home owners, free retail and or commercial space for business tenant/operators, and other practical applications, all of which result in significant cost savings for the participants, bolstering local economic growth and creating higher profit margins for the property developer(s) involved.

The algorithm does not require any “new” financial components, or unusual market conditions, merely a reconfiguration, or re-orientation of the conventional financial components existing in current development models.

Abridged Demo Model for Development & Sale of \$100,000 of Concept “Product”:

Development of “Unit #1”:

- \$ 20,000 = normal (25%) minimum developer equity required;
- \$ 60,000 = normal (75%) maximum debt financing to enable development;
- \$ 80,000 = total (100%) development costs of Unit #1;

Sale of "Unit #1":

- \$100,000 = (100%) proposed competitive sales price of Unit #1;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #1;
- \$ 20,000 = (20%) conventional or normal profit margin;

Development of "Unit #2":

- \$ 20,000 = (25%) developer equity derived from sale of Unit #1;
- \$ 60,000 = normal (75%) new debt financing to enable development of Unit #2;
- \$ 80,000 = total (100%) development costs of Unit #2;

Sale of "Unit #2":

- \$100,000 = (100%) proposed competitive sales price of Unit #2;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #2;
- \$ 20,000 = (20%) conventional or normal profit margin to be applied as 25% equity component to develop Unit #3, and so on, and so on.

The above Model is a very limited representation of the algorithm, and is meant simply to provide an initial insight into the inherent mathematical logic that drives the Concept, and it clearly does not reveal or explain any aspect of the Concept's profitability or other financial benefits generally.

The author hopes that the Attached Concept Proforma Financial Analysis and these following accompanying Notes will enable the reader to establish a more comprehensive working knowledge of the applied algorithm and conceptual benefits. The author also recommends the reader review the accompanying "Concept Executive Summary" for a more thorough explanation.

Section 1 Line Item Notes: **"Concept Proforma Financial Analysis"**

Line Item:

Line 1 of each example scenario indicates the number of successive "units" that may be built using the 25% equity component produced from the sales proceeds of the preceding units. Year 2 is the only year wherein original equity is returned to the initial equity provider(s) and is therefore not re-invested along with the corresponding 20% net profit amounts.

Line 2 of each example scenario indicates the 25% amount of start-up equity in year 1, plus the subsequent 25% amounts of available development equity produced each year thereafter.

Line 3 of each example scenario indicates the 75% amount of debt financing required to facilitate the highest and best re-investment use of available 25% equity capital at any given time.

Line 4 of each example scenario represents the proposed payment of pension income to unit purchasers, in the amount of 10% of the original purchase price each year for 10 years commencing after 5 years of occupancy, plus an additional

amount of 100% of the purchase price immediately following 15 years of occupancy.

Line 5 of each example scenario indicates an allocation of 20% of the original sales price amount, as a future renovation budget, to be utilized upon expiry of the buyer's occupancy.

Line 6 of each example scenario simply sets out the total annual cash expenditures.

Line 7 of each example scenario represents the initial individual unit sales value multiplied by the number of units being built and sold in the given year.

Line 8 of each example scenario represents the projected value of the secondary sale, or re-sale of the unit after expiry of the original buyer's occupancy. These amounts are calculated as the original price plus 20% for renovation allowance, plus an overall mark-up of 20% for developer's profit/equity creation.

Line 9 of each example scenario simply sets out the total annual cash revenues.

Line 10 of each example scenario represents the annual revenue over expenses.

Line 11 of each example scenario represents an adjustment deduction for income tax calculated at 25% of the otherwise net annual revenues.

Line 12 of each example scenario represents the annual net amount of equity available for re-investment into subsequent developments, and determines the number of successive "units" that may be built using that equity, and as further set forth in **Line Item 1** above.

Concept Financial Analysis Conclusions:

1. The concept demonstrates a myriad of remarkable long term benefits:
 - i) to consumer customers – effective guaranteed pension income, plus stable housing costs.
 - ii) to local and federal governments – incredibly huge tax base generator.
 - iii) to central bank & government and fiscal planners - predictable, stable economy.
 - iv) to participating Developer(s) – substantial increase in long term profits.
 - v) general population – significant general economic stimulation and hedge against inflation.
2. The perpetual and perpetually compounding self-funding nature of the project creates an impressive exponential growth of capital that allows the concept to grow and responsibly satisfy the needs of the entire Canadian market within about 20 years.

3. The inherent financial benefits of the project preclude any direct and detrimental competition by Developer's that continue to market product using conventional models.
4. The concept with minor adjustments, will operate effectively for retirement housing, first time home-owner housing, single family housing units, multi-family housing projects, assisted-care and extended-care living facilities, students' housing facilities, etc., with no known restrictive characteristics based on housing type or target market sector.
5. Once initiated, this concept model could easily be adopted by any or all residential housing or commercial real estate Developers seeking to secure long term financial viability, thus ensuring it's universal application.
6. It may be concluded that the application of this type of real estate development model offers an exceptional level of economic viability for all Developer(s).
7. It may also be concluded that the application of this type of real estate development model offers an exceptional level of economic benefit to its targeted market segment(s).
8. The nature of the concept indicates that its application has the potential to offer significant stabilizing benefits to the residential housing sector of the national real estate economy as a whole.
9. The perpetual and perpetually compounding nature of this financial model indicates that wholesale application of the concept has the potential to surpass the single target market capacity for retirement housing within about 15 years of initialization.
10. The growth potential of this financial model indicates that wholesale application of the concept has the potential to revolutionize all sectors of the national residential housing markets, by effectively stabilizing prices and market supply, within about 30 years of initial implementation.

Current Objectives

Parker Industries Ltd. is currently seeking to enter into joint venture or other acceptable strategic relationships with professionals that can offer or assist in areas of legal services, accounting and tax services, marketing and securities law advice, project planning and design, site analysis, feasibility studies, general contracting, and all other aspects related to the management and administration of implementing large scale, long term Real Estate Development projects to facilitate the implementation of this dynamic Concept.

Section 2 Line Item Notes: "Proforma Concept Unit Project Cost Allocation"

These notes assume a single project is being developed with 100 living units valued at \$400,000 per living unit in the first year, and utilizing the available net profit from sales of that project as equity in the subsequent year to build another project, and utilizing the available net profit from sales of that project as equity in the subsequent year to build another project, and so on, thru to 32 years.

Line Item:

- Line 1** Line item represents the proportionate land cost of 10%, for each of the projects being built.
- Line 2** Line item represents the proportionate amount of 2% for property transfer tax.
- Line 3** Line item represents the proportionate amount of 0.10% for legal and closing costs.
- Line 4** Line item represents the proportionate amount of 0.15% for property taxes, utilities, ins.
- Line 5** Line item represents the proportionate adjusted amount of 10.45% for total land costs.
- Line 6** Line one item represents the proportionate amount of 3.5% of const. cost for Architectural fees.
- Line 7** Line item represents the proportionate amount of 2.75% of const. cost for engineering fees.
- Line 8** Line item represents the proportionate amount of 1.11% of const. cost for administration fees.
- Line 9** Line item represents the proportionate adjusted amount of 4.9% for design & permitting costs.
- Line 10** Line item represents the proportionate amount of 56.60% for hard construction costs.
- Line 11** Line item represents the proportionate amount of 5.0% for DCC's, on-site and off-site services.
- Line 12** Line item represents the proportionate amount of 5.0% for construction contingency.
- Line 13** Line item represents the proportionate amount to renovate units bought back for re-sale (commencing year 16).
- Line 14** Line item represents the proportionate amount of 66.60% as the total hard costs.
- Line 15** Line item represents the proportionate amount of 3.5% for global advertising costs.
- Line 16** Line item represents the proportionate amount of 3.5% for fixed marketing costs.
- Line 17** Line item represents the proportionate amount of 0.5% for contingency marketing costs.

- Line 18** Line item represents the proportionate amount of 0.4% for general administrative costs.
- Line 19** Line item represents the proportionate amount of 0.13% for marketing related legal costs.
- Line 20** Line item represents the proportionate amount of 8.03% for total marketing and admin. costs.
- Line 21** Line item represents the proportionate amount of 0.03% for project appraisal costs.
- Line 22** Line item represents the proportionate amount of 0.75% for financing broker fees.
- Line 23** Line item represents the proportionate amount of 0.25% for financing lender fees.
- Line 24** Line item represents the proportionate amount of 6.0% for interest on debt financing.
- Line 25** Line item represents the proportionate amount for pension payments to buy back units (commencing year 6).
- Line 26** Line item represents the proportionate amount of 7.03% for banking and financial costs.
- Line 27** Line item represents the proportionate amount of 3% for overall project contingency.
- Line 28** Line item represents the proportionate amount of 100% of cost for all projects built.
- Line 29** Line item indicates a total cost for the acquisition of Lands & associated costs as a percentage (10.45%) of the total development Costs.
- Line 30** Line item indicates a total cost for the Project Soft including overall contingency costs as a percentage (22.95) of the total development Costs.
- Line 31** Line item indicates a total cost for the Project Hard Construction & Development Costs as a percentage (66.60%) of total development Costs.
- Line 32** Line item is simply the total of Line Items 29, thru 31, indicating the total Project Development Costs of 100%.

**Section 3 Line Item Notes:
“Proforma Concept Cost Per Unit Allocation”**

These notes assume the proportionate amount of equity as set forth in the preceding Concept Analysis Proforma and Unit Project Cost Allocation Proforma, and that the number of units built per year will be the same as projected therein.

Line Items 1 thru 7:

- demonstrates the cost allocations per \$100,000 Living Unit Share:

- | | |
|-----------------|---|
| 1. \$100,000.00 | - is the total living unit value amount. |
| 2. \$8,360.00 | - is the unit land cost allowance. |
| 3. \$3,921.41 | - is the unit design and permitting cost allowance. |
| 4. \$53,280.00 | - is the hard construction cost allowance. |
| 5. \$6,420.00 | - is the marketing and administrative cost allowance. |
| 6. \$5,620.00 | - is the banking and finance costs allowance. |
| 7. \$80,001.41 | - is the total living unit cost allowance amount. |

Line Items 8 thru 14:

- demonstrates the cost allocations per \$400,000 Living Unit Share:

- | | |
|------------------|---|
| 8. \$400,000.00 | - is the total living unit value amount. |
| 9. \$33,440.00 | - is the unit land cost allowance. |
| 10. \$15,685.63 | - is the unit design and permitting cost allowance. |
| 11. \$213,120.00 | - is the hard construction cost allowance. |
| 12. \$25,680.00 | - is the marketing and administrative cost allowance. |
| 13. \$22,480.00 | - is the banking and finance costs allowance. |
| 14. \$320,005.63 | - is the total living unit cost allowance amount. |

Line Items 15 thru 21:

- demonstrates the cost allocations per 100 - \$400,000 Living Units Share:

- | | |
|---------------------|---|
| 15. \$40,000,000.00 | - is the total living unit value amount. |
| 16. \$3,344,000.00 | - is the unit land cost allowance. |
| 17. \$1,568,563.20 | - is the unit design and permitting cost allowance. |
| 18. \$21,312,000.00 | - is the hard construction cost allowance. |
| 19. \$2,568,000.00 | - is the marketing and administrative cost allowance. |
| 20. \$2,248,000.00 | - is the banking and finance costs allowance. |
| 21. \$32,000,563.20 | - is the total living unit cost allowance amount. |

**Section 4 Line Item Notes:
“Investment Earnings Proforma”**

These notes assume the proportionate amount of equity as set forth in the preceding Concept Analysis Proforma and Unit Project Cost Allocation Proforma, and that the number of units built per year will be the same as projected therein. This Proforma has only been taken to the end of the 12th year for presentation purposes.

Line Items 1 thru 7:

- demonstrate the earnings potential for a \$20,000 equity investment:

- | | |
|------------|--|
| 1. \$2,200 | is the gross simple annual earnings if withdrawn annually. |
|------------|--|

2. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
3. 11% per year is the simple annual rate of gross earnings.
4. This line represents the administrative fees deducted from earnings.
5. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
6. This line indicates the cumulative net earnings as a percentage of invested capital.
7. This line demonstrates that a \$20,000 investment will “mature” into a \$400,000 living accommodation early in the 11th year of the investment.

Line Items 8 thru 14:

- demonstrate the earnings potential for a \$10,000 equity investment:

8. \$1,100 is the gross simple annual earnings if withdrawn annually.
9. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
10. 11% per year is the simple annual rate of gross earnings.
11. This line represents the administrative fees deducted from earnings.
12. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
13. This line indicates the cumulative net earnings as a percentage of invested capital.
14. This line demonstrates that a \$10,000 investment will “mature” into a \$400,000 living accommodation late in the 12th year of the investment.

Line Items 15 thru 21:

- demonstrate the earnings potential for a \$100,000 equity investment:

15. \$11,000 is the gross simple annual earnings if withdrawn annually.
16. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
17. 11% per year is the simple annual rate of gross earnings.
18. This line represents the administrative fees deducted from earnings.
19. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
20. This line indicates the cumulative net earnings as a percentage of invested capital.
21. This line demonstrates that a \$100,000 investment will “mature” into a \$400,000 living accommodation early in the 8th year of the investment.

**Notes & Assumptions to:
“Free Retirement Housing and Guaranteed Income”
Conceptual Analysis**

Disclaimer:

These Proforma Statements were prepared using the best and most reliable information available at the time of preparation. These Proforma Statements have been reviewed by independent professionals and are deemed to provide a reasonable and realistic Proforma Analysis and Construction Cash Flow for the subject project.

All aspects of the project proforma costs estimates and contingency allowances utilized in the preparation of this statement are considered conservative, and fall well within industry standard parameters and well within current and anticipated market expectations for projects of this scope and magnitude, and are supported by independent professional opinions where appropriate.

Notwithstanding anything contained in these Notes and Assumptions or in the associated Proforma Statements, the estimates for costs and expenses as set forth herein and the estimates for timing as set forth in the Schedule or in the Proforma Statements are all subject to amendment or adjustment to reflect any changes required due to inherent errors or due to events or actions taken or caused by city, municipal, provincial or other government authorities, or due to any other reasons beyond the control of the author.

Purpose:

- i) These Proforma projections have been prepared to demonstrate the financial viability of the proposed concept, and are intended as representing examples of the Concept’s financial viability if the concept were applied. No specific project has been given consideration.
- ii) These Proforma projections & Notes & Assumptions have been generated for the purpose of determining the economic feasibility and financial viability of proceeding with an actual model of the subject Project; and to demonstrate the contemplated ratios of Equity, Debt & Bridge Capital Financing requirements to complete such a Project.

General Notes:

1. The most accurate and reliable information available at the time of preparation of these statements was utilized.
2. The three (3) spreadsheet example scenarios depicted herein, represent the application of the concept as reduced to \$100,000 increments, \$400,000 individual living units, and finally, a 100 unit project with individual living units valued at \$400,000 each.
3. In these model scenarios, it is assumed that the initial, or start-up equity will be returned to the equity provider(s) upon completion of the sales of the initial units built with that equity. A one (1) year build/sell time period has been utilized for demonstration purposes.
4. For purposes of these example scenarios, it has been deemed unnecessary to complete any detailed break down the projected cost components related to the

acquisition of land, design fees, construction costs, interest, marketing, management, administration, etc., as these demonstrations are intended to reflect a typical project with typical costs as found within industry standard norms. Since these amounts may be generally considered to be generic percentages of the whole cost, normal variances from one project to another will not significantly impact these examples.

5. These Proforma statements have been prepared based upon specific assumptions and are intended for discussion and information purposes only, and shall not be construed as representing any actual or real circumstances, nor deemed to reflect any type of investment or other financial advice. Interested parties are cautioned to seek independent professional advice with regard to all aspects of this information.

6. These unaudited Proforma Concept Financial Analysis statements have been reviewed by independent professionals and are deemed reasonable and realistic for the purposes intended, and are deemed accurate and reliable within industry standard parameters.

Deterministic Algorithm:

This Project Concept is premised on a unique conceptual model, applying pure mathematical logic to demonstrate effective and predictive calculability, that enables virtually infinite recursion in relation to the perpetual and unlimited regenerative utilization of equity capital.

The nature of this deterministic algorithm as it is applied for this Concept, results in the ability to cause the infinitely recursive development of free retirement housing living units and guaranteed pension income benefits for the owners of those housing units, without any competitive limitations as to size of units, price of units, quality or style of units, location of units, or even domestic or global economic variables that often restrict or otherwise limit conventional developments.

For simplicity, the author acknowledges, yet refrains from fully disclosing or explaining herein, that the author has already caused the actual application of this algorithm to provide free university student housing, and has determined that variations of this algorithm may be successfully used to develop free housing for first time home owners, free retail and or commercial space for business tenant/operators, and other practical applications, all of which result in significant cost savings for the participants, bolstering local economic growth and creating higher profit margins for the property developer(s) involved.

The algorithm does not require any “new” financial components, or unusual market conditions, merely a reconfiguration, or re-orientation of the conventional financial components existing in current development models.

Abridged Demo Model for Development & Sale of \$100,000 of Concept “Product”:

Development of “Unit #1”:

- \$ 20,000 = normal (25%) minimum developer equity required;
- \$ 60,000 = normal (75%) maximum debt financing to enable development;
- \$ 80,000 = total (100%) development costs of Unit #1;

Sale of "Unit #1":

- \$100,000 = (100%) proposed competitive sales price of Unit #1;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #1;
- \$ 20,000 = (20%) conventional or normal profit margin;

Development of "Unit #2":

- \$ 20,000 = (25%) developer equity derived from sale of Unit #1;
- \$ 60,000 = normal (75%) new debt financing to enable development of Unit #2;
- \$ 80,000 = total (100%) development costs of Unit #2;

Sale of "Unit #2":

- \$100,000 = (100%) proposed competitive sales price of Unit #2;
- \$ 80,000 = (80%) conventional or normal cost to develop Unit #2;
- \$ 20,000 = (20%) conventional or normal profit margin to be applied as 25% equity component to develop Unit #3, and so on, and so on.

The above Model is a very limited representation of the algorithm, and is meant simply to provide an initial insight into the inherent mathematical logic that drives the Concept, and it clearly does not reveal or explain any aspect of the Concept's profitability or other financial benefits generally.

The author hopes that the Attached Concept Proforma Financial Analysis and these following accompanying Notes will enable the reader to establish a more comprehensive working knowledge of the applied algorithm and conceptual benefits. The author also recommends the reader review the accompanying "Concept Executive Summary" for a more thorough explanation.

Section 1 Line Item Notes:
"Concept Proforma Financial Analysis"

Line Item:

Line 1 of each example scenario indicates the number of successive "units" that may be built using the 25% equity component produced from the sales proceeds of the preceding units. Year 2 is the only year wherein original equity is returned to the initial equity provider(s) and is therefore not re-invested along with the corresponding 20% net profit amounts.

Line 2 of each example scenario indicates the 25% amount of start-up equity in year 1, plus the subsequent 25% amounts of available development equity produced each year thereafter.

Line 3 of each example scenario indicates the 75% amount of debt financing required to facilitate the highest and best re-investment use of available 25% equity capital at any given time.

Line 4 of each example scenario represents the proposed payment of pension income to unit purchasers, in the amount of 10% of the original purchase price each year for 10 years commencing after 5 years of occupancy, plus an additional

amount of 100% of the purchase price immediately following 15 years of occupancy.

Line 5 of each example scenario indicates an allocation of 20% of the original sales price amount, as a future renovation budget, to be utilized upon expiry of the buyer's occupancy.

Line 6 of each example scenario simply sets out the total annual cash expenditures.

Line 7 of each example scenario represents the initial individual unit sales value multiplied by the number of units being built and sold in the given year.

Line 8 of each example scenario represents the projected value of the secondary sale, or re-sale of the unit after expiry of the original buyer's occupancy. These amounts are calculated as the original price plus 20% for renovation allowance, plus an overall mark-up of 20% for developer's profit/equity creation.

Line 9 of each example scenario simply sets out the total annual cash revenues.

Line 10 of each example scenario represents the annual revenue over expenses.

Line 11 of each example scenario represents an adjustment deduction for income tax calculated at 25% of the otherwise net annual revenues.

Line 12 of each example scenario represents the annual net amount of equity available for re-investment into subsequent developments, and determines the number of successive "units" that may be built using that equity, and as further set forth in **Line Item 1** above.

Concept Financial Analysis Conclusions:

1. The concept demonstrates a myriad of remarkable long term benefits:
 - i) to consumer customers – effective guaranteed pension income, plus stable housing costs.
 - ii) to local and federal governments – incredibly huge tax base generator.
 - iii) to central bank & government and fiscal planners - predictable, stable economy.
 - iv) to participating Developer(s) – substantial increase in long term profits.
 - v) general population – significant general economic stimulation and hedge against inflation.
2. The perpetual and perpetually compounding self-funding nature of the project creates an impressive exponential growth of capital that allows the concept to grow and responsibly satisfy the needs of the entire Canadian market within about 20 years.

3. The inherent financial benefits of the project preclude any direct and detrimental competition by Developer's that continue to market product using conventional models.
4. The concept with minor adjustments, will operate effectively for retirement housing, first time home-owner housing, single family housing units, multi-family housing projects, assisted-care and extended-care living facilities, students' housing facilities, etc., with no known restrictive characteristics based on housing type or target market sector.
5. Once initiated, this concept model could easily be adopted by any or all residential housing or commercial real estate Developers seeking to secure long term financial viability, thus ensuring it's universal application.
6. It may be concluded that the application of this type of real estate development model offers an exceptional level of economic viability for all Developer(s).
7. It may also be concluded that the application of this type of real estate development model offers an exceptional level of economic benefit to its targeted market segment(s).
8. The nature of the concept indicates that its application has the potential to offer significant stabilizing benefits to the residential housing sector of the national real estate economy as a whole.
9. The perpetual and perpetually compounding nature of this financial model indicates that wholesale application of the concept has the potential to surpass the single target market capacity for retirement housing within about 15 years of initialization.
10. The growth potential of this financial model indicates that wholesale application of the concept has the potential to revolutionize all sectors of the national residential housing markets, by effectively stabilizing prices and market supply, within about 30 years of initial implementation.

Current Objectives

Parker Industries Ltd. is currently seeking to enter into joint venture or other acceptable strategic relationships with professionals that can offer or assist in areas of legal services, accounting and tax services, marketing and securities law advice, project planning and design, site analysis, feasibility studies, general contracting, and all other aspects related to the management and administration of implementing large scale, long term Real Estate Development projects to facilitate the implementation of this dynamic Concept.

Section 2 Line Item Notes: "Proforma Concept Unit Project Cost Allocation"

These notes assume a single project is being developed with 100 living units valued at \$400,000 per living unit in the first year, and utilizing the available net profit from sales of that project as equity in the subsequent year to build another project, and utilizing the available net profit from sales of that project as equity in the subsequent year to build another project, and so on, thru to 32 years.

Line Item:

- Line 1** Line item represents the proportionate land cost of 10%, for each of the projects being built.
- Line 2** Line item represents the proportionate amount of 2% for property transfer tax.
- Line 3** Line item represents the proportionate amount of 0.10% for legal and closing costs.
- Line 4** Line item represents the proportionate amount of 0.15% for property taxes, utilities, ins.
- Line 5** Line item represents the proportionate adjusted amount of 10.45% for total land costs.
- Line 6** Line one item represents the proportionate amount of 3.5% of const. cost for Architectural fees.
- Line 7** Line item represents the proportionate amount of 2.75% of const. cost for engineering fees.
- Line 8** Line item represents the proportionate amount of 1.11% of const. cost for administration fees.
- Line 9** Line item represents the proportionate adjusted amount of 4.9% for design & permitting costs.
- Line 10** Line item represents the proportionate amount of 56.60% for hard construction costs.
- Line 11** Line item represents the proportionate amount of 5.0% for DCC's, on-site and off-site services.
- Line 12** Line item represents the proportionate amount of 5.0% for construction contingency.
- Line 13** Line item represents the proportionate amount to renovate units bought back for re-sale (commencing year 16).
- Line 14** Line item represents the proportionate amount of 66.60% as the total hard costs.
- Line 15** Line item represents the proportionate amount of 3.5% for global advertising costs.
- Line 16** Line item represents the proportionate amount of 3.5% for fixed marketing costs.
- Line 17** Line item represents the proportionate amount of 0.5% for contingency marketing costs.

- Line 18** Line item represents the proportionate amount of 0.4% for general administrative costs.
- Line 19** Line item represents the proportionate amount of 0.13% for marketing related legal costs.
- Line 20** Line item represents the proportionate amount of 8.03% for total marketing and admin. costs.
- Line 21** Line item represents the proportionate amount of 0.03% for project appraisal costs.
- Line 22** Line item represents the proportionate amount of 0.75% for financing broker fees.
- Line 23** Line item represents the proportionate amount of 0.25% for financing lender fees.
- Line 24** Line item represents the proportionate amount of 6.0% for interest on debt financing.
- Line 25** Line item represents the proportionate amount for pension payments to buy back units (commencing year 6).
- Line 26** Line item represents the proportionate amount of 7.03% for banking and financial costs.
- Line 27** Line item represents the proportionate amount of 3% for overall project contingency.
- Line 28** Line item represents the proportionate amount of 100% of cost for all projects built.
- Line 29** Line item indicates a total cost for the acquisition of Lands & associated costs as a percentage (10.45%) of the total development Costs.
- Line 30** Line item indicates a total cost for the Project Soft including overall contingency costs as a percentage (22.95) of the total development Costs.
- Line 31** Line item indicates a total cost for the Project Hard Construction & Development Costs as a percentage (66.60%) of total development Costs.
- Line 32** Line item is simply the total of Line Items 29, thru 31, indicating the total Project Development Costs of 100%.

**Section 3 Line Item Notes:
“Proforma Concept Cost Per Unit Allocation”**

These notes assume the proportionate amount of equity as set forth in the preceding Concept Analysis Proforma and Unit Project Cost Allocation Proforma, and that the number of units built per year will be the same as projected therein.

Line Items 1 thru 7:

- demonstrates the cost allocations per \$100,000 Living Unit Share:

- | | |
|-----------------|---|
| 1. \$100,000.00 | - is the total living unit value amount. |
| 2. \$8,360.00 | - is the unit land cost allowance. |
| 3. \$3,921.41 | - is the unit design and permitting cost allowance. |
| 4. \$53,280.00 | - is the hard construction cost allowance. |
| 5. \$6,420.00 | - is the marketing and administrative cost allowance. |
| 6. \$5,620.00 | - is the banking and finance costs allowance. |
| 7. \$80,001.41 | - is the total living unit cost allowance amount. |

Line Items 8 thru 14:

- demonstrates the cost allocations per \$400,000 Living Unit Share:

- | | |
|------------------|---|
| 8. \$400,000.00 | - is the total living unit value amount. |
| 9. \$33,440.00 | - is the unit land cost allowance. |
| 10. \$15,685.63 | - is the unit design and permitting cost allowance. |
| 11. \$213,120.00 | - is the hard construction cost allowance. |
| 12. \$25,680.00 | - is the marketing and administrative cost allowance. |
| 13. \$22,480.00 | - is the banking and finance costs allowance. |
| 14. \$320,005.63 | - is the total living unit cost allowance amount. |

Line Items 15 thru 21:

- demonstrates the cost allocations per 100 - \$400,000 Living Units Share:

- | | |
|---------------------|---|
| 15. \$40,000,000.00 | - is the total living unit value amount. |
| 16. \$3,344,000.00 | - is the unit land cost allowance. |
| 17. \$1,568,563.20 | - is the unit design and permitting cost allowance. |
| 18. \$21,312,000.00 | - is the hard construction cost allowance. |
| 19. \$2,568,000.00 | - is the marketing and administrative cost allowance. |
| 20. \$2,248,000.00 | - is the banking and finance costs allowance. |
| 21. \$32,000,563.20 | - is the total living unit cost allowance amount. |

**Section 4 Line Item Notes:
“Investment Earnings Proforma”**

These notes assume the proportionate amount of equity as set forth in the preceding Concept Analysis Proforma and Unit Project Cost Allocation Proforma, and that the number of units built per year will be the same as projected therein. This Proforma has only been taken to the end of the 12th year for presentation purposes.

Line Items 1 thru 7:

- demonstrate the earnings potential for a \$20,000 equity investment:

- | | |
|------------|--|
| 1. \$2,200 | is the gross simple annual earnings if withdrawn annually. |
|------------|--|

2. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
3. 11% per year is the simple annual rate of gross earnings.
4. This line represents the administrative fees deducted from earnings.
5. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
6. This line indicates the cumulative net earnings as a percentage of invested capital.
7. This line demonstrates that a \$20,000 investment will “mature” into a \$400,000 living accommodation early in the 11th year of the investment.

Line Items 8 thru 14:

- demonstrate the earnings potential for a \$10,000 equity investment:

8. \$1,100 is the gross simple annual earnings if withdrawn annually.
9. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
10. 11% per year is the simple annual rate of gross earnings.
11. This line represents the administrative fees deducted from earnings.
12. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
13. This line indicates the cumulative net earnings as a percentage of invested capital.
14. This line demonstrates that a \$10,000 investment will “mature” into a \$400,000 living accommodation late in the 12th year of the investment.

Line Items 15 thru 21:

- demonstrate the earnings potential for a \$100,000 equity investment:

15. \$11,000 is the gross simple annual earnings if withdrawn annually.
16. This line represents the annual compound gross earnings if not withdrawn until “maturity”.
17. 11% per year is the simple annual rate of gross earnings.
18. This line represents the administrative fees deducted from earnings.
19. This line indicates the cumulative net earnings if not withdrawn until “maturity”.
20. This line indicates the cumulative net earnings as a percentage of invested capital.
21. This line demonstrates that a \$100,000 investment will “mature” into a \$400,000 living accommodation early in the 8th year of the investment.

"\$100,000 Incremental Unit" Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
Cash Expenses:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
1 Number of Units Built	1.00	0.75	1.31	2.30	4.02	7.03	11.93	20.23	34.25	57.93	97.87	165.11
2 Equity @ 25% of Construction Cost	20,000	15,000	26,250	45,938	80,391	140,684	238,696	404,594	685,070	1,158,677	1,957,343	3,302,252
3 Debt @ 75% of Construction Cost	60,000	45,000	78,750	137,813	241,172	422,051	716,089	1,213,781	2,055,210	3,476,031	5,872,029	9,906,756
4 Pension/Buy-Back Payments						10,000	17,500	30,625	53,594	93,789	164,131	283,479
5 Renovation of Buy-Back Unit @ 20%												
6 Total Project Expenses:	80,000	60,000	105,000	183,750	321,563	572,734	972,285	1,648,999	2,793,873	4,728,497	7,993,503	13,492,487
Cash Revenue:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
7 1st Sale of Unit	100,000	75,000	131,250	229,688	401,953	703,418	1,193,481	2,022,968	3,425,349	5,793,385	9,786,715	16,511,260
8 2nd Sale = Price plus Reno plus 20%												
9 Total Revenue:	100,000	75,000	131,250	229,688	401,953	703,418	1,193,481	2,022,968	3,425,349	5,793,385	9,786,715	16,511,260
10 Revenue Over Expenditures:	20,000	15,000	26,250	45,938	80,391	130,684	221,196	373,969	631,476	1,064,888	1,793,212	3,018,773
11 Income Tax @ 25%	5,000	3,750	6,563	11,484	20,098	32,671	55,299	93,492	157,869	266,222	448,303	754,693
12 Available Re-Investment Equity	15,000	26,250	45,938	80,391	140,684	238,696	404,594	685,070	1,158,677	1,957,343	3,302,252	5,566,332

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"\$400,000 Single Living Unit Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
Cash Expenses:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
1B Number of Units Built	1.00	0.75	1.31	2.30	4.02	7.03	11.93	20.23	34.25	57.93	97.87	165.11
2B Equity @ 25% of Construction Cost	80,000	60,000	105,000	183,750	321,563	562,734	954,785	1,618,374	2,740,280	4,634,708	7,829,372	13,209,008
3B Debt @ 75% of Construction Cost	240,000	180,000	315,000	551,250	964,688	1,688,203	2,864,355	4,855,122	8,220,839	13,904,124	23,488,115	39,627,024
4B Pension/Buy-Back Payments						40,000	70,000	122,500	214,375	375,156	656,523	1,133,916
5B Renovation of Buy-Back Unit @ 20%												
6B Total Project Expenses:	320,000	240,000	420,000	735,000	1,286,250	2,290,938	3,889,141	6,595,996	11,175,493	18,913,988	31,974,010	53,969,948
Cash Revenue:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
7B 1st Sale of Unit	400,000	300,000	525,000	918,750	1,607,813	2,813,672	4,773,926	8,091,870	13,701,398	23,173,540	39,146,859	66,045,040
8B 2nd Sale = Price plus Reno plus 20%												
9B Total Revenue:	400,000	300,000	525,000	918,750	1,607,813	2,813,672	4,773,926	8,091,870	13,701,398	23,173,540	39,146,859	66,045,040
10B Revenue Over Expenditures:	80,000	60,000	105,000	183,750	321,563	522,734	884,785	1,495,874	2,525,905	4,259,552	7,172,848	12,075,092
11B Income Tax @ 25%	20,000	15,000	26,250	45,938	80,391	130,684	221,196	373,969	631,476	1,064,888	1,793,212	3,018,773
12B Available Re-Investment Equity	60,000	105,000	183,750	321,563	562,734	954,785	1,618,374	2,740,280	4,634,708	7,829,372	13,209,008	22,265,327

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Parker Industries Ltd. All Rights Reserved, 2015

"100 Single Living Units @ \$400,000 Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
Cash Expenses:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
1C Number of Units Built	100	75.00	131.25	229.69	401.95	703.42	1,193.48	2,022.97	3,425.35	5,793.38	9,786.71	16,511.26
2C Equity @ 25% of Construction Cost	8,000,000	6,000,000	10,500,000	18,375,000	32,156,250	56,273,438	95,478,516	161,837,402	274,027,954	463,470,795	782,937,172	1,320,900,793
3C Debt @ 75% of Construction Cost	24,000,000	18,000,000	31,500,000	55,125,000	96,468,750	168,820,313	286,435,547	485,512,207	822,083,862	1,390,412,384	2,348,811,516	3,962,702,379
4C Pension/Buy-Back Payments						4,000,000	7,000,000	12,250,000	21,437,500	37,515,625	65,652,344	113,391,602
5C Renovation of Buy-Back Unit @ 20%												
6C Total Project Expenses:	32,000,000	24,000,000	42,000,000	73,500,000	128,625,000	229,093,750	388,914,063	659,599,609	1,117,549,316	1,891,398,804	3,197,401,031	5,396,994,774
Cash Revenue:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
7C 1st Sale of Unit	40,000,000	30,000,000	52,500,000	91,875,000	160,781,250	281,367,188	477,392,578	809,187,012	1,370,139,771	2,317,353,973	3,914,685,860	6,604,503,965
8C 2nd Sale = Price plus Reno plus 20%												
9C Total Revenue:	40,000,000	30,000,000	52,500,000	91,875,000	160,781,250	281,367,188	477,392,578	809,187,012	1,370,139,771	2,317,353,973	3,914,685,860	6,604,503,965
10C Revenue Over Expenditures:	8,000,000	6,000,000	10,500,000	18,375,000	32,156,250	52,273,438	88,478,516	149,587,402	252,590,454	425,955,170	717,284,828	1,207,509,192
11C Income Tax @ 25%	2,000,000	1,500,000	2,625,000	4,593,750	8,039,063	13,068,359	22,119,629	37,396,851	63,147,614	106,488,792	179,321,207	301,877,298
12C Available Re-Investment Equity	6,000,000	10,500,000	18,375,000	32,156,250	56,273,438	95,478,516	161,837,402	274,027,954	463,470,795	782,937,172	1,320,900,793	2,226,532,687

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Inherent Mathematical Margin of Error: 0.000000071459%

"\$100,000 Incremental Unit" Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
1	278.32	468.84	789.40	1,328.67	2,237.71	3,766.48	6,338.89	10,667.26	17,950.24	30,204.83	50,823.76	85,515.74
2	5,566,332	9,376,749	15,788,077	26,573,398	44,754,206	75,329,651	126,777,711	213,345,247	359,004,899	604,096,506	1,016,475,222	1,710,314,810
3	16,698,995	28,130,246	47,364,232	79,720,194	134,262,619	225,988,953	380,333,134	640,035,740	1,077,014,696	1,812,289,517	3,049,425,667	5,130,944,430
4	485,776	828,311	1,407,649	2,476,321	4,094,947	6,921,238	11,685,081	19,711,190	33,229,012	55,976,830	94,268,845	158,717,548
5				20,000	15,000	26,250	45,938	80,391	140,684	238,696	404,594	685,070
6	22,751,103	38,335,305	64,559,958	108,769,913	183,111,772	308,239,842	518,795,925	873,092,176	1,469,248,607	2,472,362,852	4,160,169,734	6,999,976,788
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
7	27,831,659	46,883,743	78,940,386	132,866,991	223,771,031	376,648,255	633,888,556	1,066,726,233	1,795,024,494	3,020,482,528	5,082,376,111	8,551,574,050
8				144,000	108,000	189,000	330,750	578,813	1,012,922	1,718,613	2,913,073	4,932,503
9	27,831,659	46,883,743	78,940,386	133,010,991	223,879,031	376,837,255	634,219,306	1,067,305,046	1,796,037,416	3,022,201,141	5,085,289,184	8,556,506,553
10	5,080,556	8,548,438	14,380,428	24,241,078	40,767,260	68,597,414	115,423,381	194,212,870	326,788,809	549,838,289	925,119,450	1,556,529,766
11	1,270,139	2,137,109	3,595,107	6,060,269	10,191,815	17,149,353	28,855,845	48,553,217	81,697,202	137,459,572	231,279,863	389,132,441
12	9,376,749	15,788,077	26,573,398	44,754,206	75,329,651	126,777,711	213,345,247	359,004,899	604,096,506	1,016,475,222	1,710,314,810	2,877,712,134

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Parker Industries Ltd. All Rights Reserved, 2015

\$400,000 Single Living Unit Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
1B	278.32	468.84	789.40	1,328.67	2,237.71	3,766.48	6,338.89	10,667.26	17,950.24	30,204.83	50,823.76	85,515.74
2B	22,265,327	37,506,995	63,152,309	106,293,593	179,016,825	301,318,604	507,110,845	853,380,986	1,436,019,595	2,416,386,022	4,065,900,889	6,841,259,240
3B	66,795,981	112,520,984	189,456,926	318,880,778	537,050,476	903,955,812	1,521,332,534	2,560,142,959	4,308,058,786	7,249,158,067	12,197,702,666	20,523,777,720
4B	1,943,103	3,313,243	5,630,597	9,905,283	16,379,787	27,684,950	46,740,322	78,844,758	132,916,047	223,907,320	377,075,380	634,870,190
5B				80,000	60,000	105,000	183,750	321,563	562,734	954,785	1,618,374	2,740,280
6B	91,004,410	153,341,222	258,239,832	435,079,653	732,447,087	1,232,959,367	2,075,183,701	3,492,368,704	5,876,994,427	9,889,451,410	16,640,678,935	27,999,907,150
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
7B	111,326,634	187,534,974	315,761,544	531,467,963	895,084,126	1,506,593,021	2,535,554,223	4,266,904,932	7,180,097,976	12,081,930,112	20,329,504,443	34,206,296,200
8B				576,000	432,000	756,000	1,323,000	2,315,250	4,051,688	6,874,453	11,652,293	19,730,013
9B	111,326,634	187,534,974	315,761,544	532,043,963	895,516,126	1,507,349,021	2,536,877,223	4,269,220,182	7,184,149,664	12,088,804,565	20,341,156,736	34,226,026,213
10B	20,322,224	34,193,752	57,521,712	96,964,310	163,069,039	274,389,654	461,693,522	776,851,478	1,307,155,236	2,199,353,155	3,700,477,802	6,226,119,063
11B	5,080,556	8,548,438	14,380,428	24,241,078	40,767,260	68,597,414	115,423,381	194,212,870	326,788,809	549,838,289	925,119,450	1,556,529,766
12B	37,506,995	63,152,309	106,293,593	179,016,825	301,318,604	507,110,845	853,380,986	1,436,019,595	2,416,386,022	4,065,900,889	6,841,259,240	11,510,848,537

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Parker Industries Ltd. All Rights Reserved, 2015

100 Single Living Units @ \$400,000 Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis												
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
1C	27,831.66	46,883.74	78,940.39	132,866.99	223,771.03	376,648.26	633,888.56	1,066,726.23	1,795,024.49	3,020,482.53	5,082,376.11	8,551,574.05
2C	2,226,532,687	3,750,699,475	6,315,230,871	10,629,359,266	17,901,682,519	30,131,860,413	50,711,084,470	85,338,098,642	143,601,959,523	241,638,602,238	406,590,088,868	684,125,924,004
3C	6,679,598,060	11,252,098,424	18,945,692,613	31,888,077,799	53,705,047,556	90,395,581,238	152,133,253,410	256,014,295,926	430,805,878,569	724,915,806,715	1,219,770,266,605	2,052,377,772,013
4C	194,310,303	331,324,280	563,059,677	990,528,263	1,637,978,660	2,768,495,003	4,674,032,240	7,884,475,801	13,291,604,653	22,390,732,045	37,707,537,983	63,487,019,000
5C				8,000,000	6,000,000	10,500,000	18,375,000	32,156,250	56,273,438	95,478,516	161,837,402	274,027,954
6C	9,100,441,050	15,334,122,179	25,823,983,161	43,507,965,328	73,244,708,734	123,295,936,654	207,518,370,120	349,236,870,369	587,699,442,745	988,945,140,999	1,664,067,893,456	2,799,990,715,018
	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
7C	11,132,663,434	18,753,497,373	31,576,154,354	53,146,796,331	89,508,412,593	150,659,302,063	253,555,422,350	426,690,493,211	718,009,797,616	1,208,193,011,192	2,032,950,444,341	3,420,629,620,022
8C				57,600,000	43,200,000	75,600,000	132,300,000	231,525,000	405,168,750	687,445,313	1,165,229,297	1,973,001,270
9C	11,132,663,434	18,753,497,373	31,576,154,354	53,204,396,331	89,551,612,593	150,734,902,063	253,687,722,350	426,922,018,211	718,414,966,366	1,208,880,456,505	2,034,115,673,638	3,422,602,621,292
10C	2,032,222,384	3,419,375,195	5,752,171,194	9,696,431,003	16,306,903,859	27,438,965,410	46,169,352,230	77,685,147,841	130,715,523,620	219,935,315,506	370,047,780,182	622,611,906,274
11C	508,055,596	854,843,799	1,438,042,798	2,424,107,751	4,076,725,965	6,859,741,352	11,542,338,057	19,421,286,960	32,678,880,905	54,983,828,877	92,511,945,045	155,652,976,568
12C	3,750,699,475	6,315,230,871	10,629,359,266	17,901,682,519	30,131,860,413	50,711,084,470	85,338,098,642	143,601,959,523	241,638,602,238	406,590,088,868	684,125,924,004	1,151,084,853,710

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Inherent Mathematical Margin of Error: 0.000000071459%

"\$100,000 Incremental Unit" Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis									
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
1	143,885.61	242,093.45	407,328.42	685,335.67	1,153,080.62	1,940,056.05	3,264,130.90	5,491,871.38	13,538,558
2	2,877,712,134	4,841,868,940	8,146,568,315	13,706,713,476	23,061,612,406	38,801,120,948	65,282,618,068	109,837,427,578	
3	8,633,136,403	14,525,606,820	24,439,704,945	41,120,140,429	69,184,837,218	116,403,362,845	195,847,854,203	329,512,282,735	
4	267,178,868	449,695,975	756,817,648	1,273,592,491	2,143,113,607	3,606,132,278	6,067,706,654	10,209,517,749	25,164,211,140
5	1,158,677	1,957,343	3,302,252	5,566,332	9,376,749	15,788,077	26,573,398	44,754,206	110,133,665
6	11,778,027,405	19,817,171,735	33,343,090,907	56,100,446,396	94,389,563,231	158,810,616,071	267,198,178,925	449,559,228,063	
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
7	14,388,560,671	24,209,344,699	40,732,841,575	68,533,567,381	115,308,062,030	194,005,604,741	326,413,090,339	549,187,137,892	
8	8,342,474	14,092,869	23,776,214	40,077,588	67,512,591	113,674,156	191,501,267	322,359,885	793,264,734
9	14,396,903,146	24,223,437,568	40,756,617,789	68,573,644,969	115,375,574,621	194,119,278,897	326,604,591,606	549,509,497,778	1,354,648,862,570
10	2,618,875,741	4,406,265,833	7,413,526,882	12,473,198,573	20,986,011,390	35,308,662,826	59,406,412,681	99,950,269,715	246,400,173,173
11	654,718,935	1,101,566,458	1,853,381,720	3,118,299,643	5,246,502,847	8,827,165,707	14,851,603,170	24,987,567,429	61,600,043,310
12	4,841,868,940	8,146,568,315	13,706,713,476	23,061,612,406	38,801,120,948	65,282,618,068	109,837,427,578	184,800,129,865	

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Parker Industries Ltd. All Rights Reserved, 2015

\$400,000 Single Living Unit Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis									
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
1B	143,885.61	242,093.45	407,328.42	685,335.67	1,153,080.62	1,940,056.05	3,264,130.90	5,491,871.38	13,538,556
2B	11,510,848,537	19,367,475,759	32,586,273,260	54,826,853,905	92,246,449,624	155,204,483,793	261,130,472,271	439,349,710,314	
3B	34,532,545,611	58,102,427,278	97,758,819,779	164,480,561,715	276,739,348,873	465,613,451,380	783,391,416,814	1,318,049,130,941	
4B	1,068,715,471	1,798,783,902	3,027,270,590	5,094,369,966	8,572,454,428	14,424,529,112	24,270,826,615	40,838,070,995	100,656,844,528
5B	4,634,708	7,829,372	13,209,008	22,265,327	37,506,995	63,152,309	106,293,593	179,016,825	440,534,621
6B	47,112,109,620	79,268,686,939	133,372,363,629	224,401,785,585	377,558,252,925	635,242,464,284	1,068,792,715,700	1,798,236,912,250	
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
7B	57,554,242,685	96,837,378,797	162,931,366,299	274,134,269,524	461,232,248,121	776,022,418,966	1,305,652,361,356	2,196,748,551,569	
8B	33,369,897	56,371,476	95,104,857	160,310,353	270,050,362	454,696,623	766,005,067	1,289,439,541	3,173,058,874
9B	57,587,612,583	96,893,750,273	163,026,471,156	274,294,579,878	461,502,298,483	776,477,115,589	1,306,418,366,423	2,198,037,991,110	5,418,595,450,206
10B	10,475,502,963	17,625,063,334	29,654,107,527	49,892,794,293	83,944,045,559	141,234,651,304	237,625,650,723	399,801,078,860	985,600,692,612
11B	2,618,875,741	4,406,265,833	7,413,526,882	12,473,198,573	20,986,011,390	35,308,662,826	59,406,412,681	99,950,269,715	246,400,173,153
12B	19,367,475,759	32,586,273,260	54,826,853,905	92,246,449,624	155,204,483,793	261,130,472,271	439,349,710,314	739,200,519,459	

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Parker Industries Ltd. All Rights Reserved, 2015

100 Single Living units @ \$400,000 Free Retirement Housing/Guaranteed Income/Guaranteed Buy-Back, Plan G32, Phase 1 - Proforma Concept Analysis									
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
1C	14,388,560.67	24,209,344.70	40,732,841.57	68,533,567.38	115,308,062.03	194,005,604.74	326,413,090.34	549,187,137.89	1,353,855,598
2C	1,151,084,853,710	1,936,747,575,938	3,258,627,325,979	5,482,685,390,483	9,224,644,962,422	15,520,448,379,317	26,113,047,227,121	43,934,971,031,379	
3C	3,453,254,561,129	5,810,242,727,815	9,775,881,977,937	16,448,056,171,450	27,673,934,887,267	46,561,345,137,950	78,339,141,681,364	131,804,913,094,138	
4C	106,871,547,127	179,878,390,189	302,727,059,017	509,436,996,576	857,245,442,781	1,442,452,911,181	2,427,082,661,494	4,083,807,099,486	10,065,684,452,827
5C	463,470,795	782,937,172	1,320,900,793	2,226,532,687	3,750,699,475	6,315,230,871	10,629,359,266	17,901,682,519	44,053,462,136
6C	4,711,210,961,966	7,926,868,693,942	13,337,236,362,934	22,440,178,558,509	37,755,825,292,470	63,524,246,428,448	106,879,271,569,979	179,823,691,225,003	
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals
7C	5,755,424,268,549	9,683,737,879,692	16,293,136,629,896	27,413,426,952,417	46,123,224,812,111	77,602,241,896,584	130,565,236,135,606	219,674,855,156,897	
8C	3,336,989,722	5,637,147,638	9,510,485,710	16,031,035,344	27,005,036,218	45,469,662,270	76,600,506,717	128,943,954,133	317,305,887,381
9C	5,758,761,258,271	9,689,375,027,330	16,302,647,115,606	27,429,457,987,761	46,150,229,848,329	77,647,711,558,854	130,641,836,642,323	219,803,799,111,030	541,859,545,020,608
10C	1,047,550,296,305	1,762,506,333,388	2,965,410,752,672	4,989,279,429,252	8,394,404,555,859	14,123,465,130,406	23,762,565,072,344	39,980,107,886,027	98,560,069,261,200
11C	261,887,574,076	440,626,583,347	741,352,688,168	1,247,319,857,313	2,098,601,138,965	3,530,866,282,602	5,940,641,268,086	9,995,026,971,507	24,640,017,315,300
12C	1,936,747,575,938	3,258,627,325,979	5,482,685,390,483	9,224,644,962,422	15,520,448,379,317	26,113,047,227,121	43,934,971,031,379	73,920,051,945,900	

- PAGE 24 - Inherent Mathematical Margin of Error: 0.000000071459%

Parker Industries Ltd. All Rights Reserved, 2015: Retirement Housing Concept Unit Project Cost Allocation:															
			Adj.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Property Acquisition:															
Property Purchase Payment(s)	1	10.00%		3,200,000	2,400,000	4,200,000	7,350,000	12,862,500	22,909,375	38,891,406	65,959,961	111,754,932	189,139,880	319,740,103	539,699,477
Property Transfer Tax (% of land cost)	2	2.00%		64,000	48,000	84,000	147,000	257,250	458,188	777,828	1,319,199	2,235,099	3,782,798	6,394,802	10,793,990
Legal & misc. Closing costs	3	0.10%		32,000	24,000	42,000	73,500	128,625	229,094	388,914	659,600	1,117,549	1,891,399	3,197,401	5,396,995
Property Taxes, Ins., Utilities, etc.	4	0.15%		48,000	36,000	63,000	110,250	192,938	343,641	583,371	989,399	1,676,324	2,837,098	4,796,102	8,095,492
Subtotal Land costs:	5	12.25%	10.45%	3,344,000	2,508,000	4,389,000	7,680,750	13,441,313	23,940,297	40,641,520	68,928,159	116,783,904	197,651,175	334,128,408	563,985,954
Zoning & Permitting:															
Architectural @ % of Con. costs	6	3.50%		745,920	559,440	979,020	1,713,285	2,998,249	5,340,175	9,065,587	15,375,267	26,050,075	44,088,506	74,531,418	125,803,948
Engineering @ % of Con. costs	7	2.75%		586,080	439,560	769,230	1,346,152	2,355,767	4,195,852	7,122,961	12,080,567	20,467,916	34,640,969	58,560,400	98,845,959
Administration @ % of Con. costs	8	1.11%		236,563	177,422	310,489	543,356	950,873	1,693,598	2,875,086	4,876,156	8,261,595	13,982,355	23,637,107	39,897,824
Subtotal Permitting:	9	7.36%	4.90%	1,568,563	1,176,422	2,058,739	3,602,794	6,304,889	11,229,626	19,063,634	32,331,990	54,779,585	92,711,830	156,728,925	264,547,731
Development Construction costs:															
Building Costs	10	56.60%		18,112,000	13,584,000	23,772,000	41,601,000	72,801,750	129,667,063	220,125,359	373,333,379	632,532,913	1,070,531,723	1,809,728,984	3,054,699,042
On-site, Off-site Improvements, D.C.C.'s	11	5.00%		1,600,000	1,200,000	2,100,000	3,675,000	6,431,250	11,454,688	19,445,703	32,979,980	55,877,466	94,569,940	159,870,052	269,849,739
Construction Contingency	12	5.00%		1,600,000	1,200,000	2,100,000	3,675,000	6,431,250	11,454,688	19,445,703	32,979,980	55,877,466	94,569,940	159,870,052	269,849,739
Renovation of Buy-Back Unit @ 20% (see 5C)	13	n/a		0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Development costs:	14	66.60%	66.60%	21,312,000	15,984,000	27,972,000	48,951,000	85,664,250	152,576,437	259,016,766	439,293,340	744,287,845	1,259,671,603	2,129,469,086	3,594,398,519
Marketing & Administrative costs:															
Global advertising & promotion	15	3.50%		1,120,000	840,000	1,470,000	2,572,500	4,501,875	8,018,281	13,611,992	23,085,986	39,114,226	66,198,958	111,909,036	188,894,817
Fixed marketing	16	3.50%		1,120,000	840,000	1,470,000	2,572,500	4,501,875	8,018,281	13,611,992	23,085,986	39,114,226	66,198,958	111,909,036	188,894,817
Contingency marketing	17	0.50%		160,000	120,000	210,000	367,500	643,125	1,145,469	1,944,570	3,297,998	5,587,747	9,456,994	15,987,005	26,984,974
Administrative general	18	0.40%		128,000	96,000	168,000	294,000	514,500	916,375	1,555,656	2,638,398	4,470,197	7,565,595	12,789,604	21,587,979
Administrative Legal	19	0.13%		40,000	30,000	52,500	91,875	160,781	286,367	486,143	824,500	1,396,937	2,364,249	3,996,751	6,746,243
Subtotal Marketing & Administrative:	20	8.03%	8.03%	2,568,000	1,926,000	3,370,500	5,898,375	10,322,156	18,384,773	31,210,354	52,932,869	89,683,333	151,784,754	256,591,433	433,108,831
Financing costs:															
Pre-Financing Appraisal	21	0.03%		8,000	6,000	10,500	18,375	32,156	57,273	97,229	164,900	279,387	472,850	799,350	1,349,249
Broker fees	22	0.75%		240,000	180,000	315,000	551,250	964,688	1,718,203	2,916,855	4,946,997	8,381,620	14,185,491	23,980,508	40,477,461
Lender fees	23	0.25%		80,000	60,000	105,000	183,750	321,563	572,734	972,285	1,648,999	2,793,873	4,728,497	7,993,503	13,492,487
Interest calculated annually	24	6.00%		1,920,000	1,440,000	2,520,000	4,410,000	7,717,500	13,745,625	23,334,844	39,575,977	67,052,959	113,483,928	191,844,062	323,819,686
Pension/Buy-Back Payments (see 4C)	25	n/a		0	0	0	0	0	4,000,000	7,000,000	12,250,000	21,437,500	37,515,625	65,652,344	113,391,602
Subtotal Financing costs:	26	7.03%	7.03%	2,248,000	1,686,000	2,950,500	5,163,375	9,035,906	16,093,836	27,321,213	46,336,873	78,507,839	132,870,766	224,617,422	379,138,883
Overall Project contingency	27	3.00%	3.00%	960,000	720,000	1,260,000	2,205,000	3,858,750	6,872,813	11,667,422	19,787,988	33,526,479	56,741,964	95,922,031	161,909,843
Total Unit Project Cost Allocation:	28		100.00%	32,000,563	24,000,422	42,000,739	73,501,294	128,627,264	229,097,782	388,920,907	659,611,218	1,117,568,985	1,891,432,092	3,197,457,305	5,397,089,761

Lands & Associated Costs:	30	10.45%
Soft Costs (Incl. Contingency):	31	22.95%
Hard Construction & Development Costs:	32	66.60%
All Development Costs	33	100.00%

Parker Industries Ltd. All Rights Reserved, 2015: Retirement Housing Concept Unit Project Cost Allocation:

	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
1	910,044,105	1,533,412,218	2,582,398,316	4,350,796,533	7,324,470,873	12,329,593,665	20,751,837,012	34,923,687,037	58,769,944,275	98,894,514,100	166,406,789,346	279,999,071,502
2	18,200,882	30,668,244	51,647,966	87,015,931	146,489,417	246,591,873	415,036,740	698,473,741	1,175,398,885	1,977,890,282	3,328,135,787	5,599,981,430
3	9,100,441	15,334,122	25,823,983	43,507,965	73,244,709	123,295,937	207,518,370	349,236,870	587,699,443	988,945,141	1,664,067,893	2,799,990,715
4	13,650,662	23,001,183	38,735,975	65,261,948	109,867,063	184,943,905	311,277,555	523,855,306	881,549,164	1,483,417,711	2,496,101,840	4,199,986,073
5	950,996,090	1,602,415,768	2,698,606,240	4,546,582,377	7,654,072,063	12,884,425,380	21,685,669,678	36,495,252,954	61,414,591,767	103,344,767,234	173,895,094,866	292,599,029,719
6	212,131,281	357,438,388	601,957,047	1,014,170,672	1,707,334,160	2,874,028,283	4,837,253,207	8,140,711,447	13,699,274,009	23,052,311,234	38,789,422,592	65,267,783,560
7	166,674,578	280,844,448	472,966,252	796,848,385	1,341,476,840	2,258,165,080	3,800,698,948	6,396,273,280	10,763,715,293	18,112,530,255	30,477,403,465	51,281,829,940
8	67,275,921	113,359,032	190,906,378	321,636,984	541,468,834	911,477,541	1,534,100,303	2,581,768,488	4,344,626,900	7,310,875,849	12,301,788,308	20,699,211,358
9	446,081,779	751,641,867	1,265,829,677	2,132,656,041	3,590,279,834	6,043,670,904	10,172,052,458	17,118,753,215	28,807,616,202	48,475,717,338	81,568,614,366	137,248,824,857
10	5,150,849,634	8,679,113,153	14,616,374,469	24,625,508,376	41,456,505,143	69,785,500,146	117,455,397,488	197,668,068,629	332,637,884,594	559,742,949,805	941,862,427,696	1,584,794,744,700
11	455,022,052	766,706,109	1,291,199,158	2,175,398,266	3,662,235,437	6,164,796,833	10,375,918,506	17,461,843,518	29,384,972,137	49,447,257,050	83,203,394,673	139,999,535,751
12	455,022,052	766,706,109	1,291,199,158	2,175,398,266	3,662,235,437	6,164,796,833	10,375,918,506	17,461,843,518	29,384,972,137	49,447,257,050	83,203,394,673	139,999,535,751
13	0	0	0	8,000,000	6,000,000	10,500,000	18,375,000	32,156,250	56,273,438	95,478,516	161,837,402	274,027,954
14	6,060,893,739	10,212,525,370	17,198,772,783	28,976,304,905	48,780,976,012	82,115,093,803	138,207,234,485	232,591,755,641	391,407,828,826	658,637,463,835	1,108,269,216,923	1,864,793,815,993
15	318,515,437	536,694,276	903,839,411	1,522,778,786	2,563,564,806	4,315,357,783	7,263,142,954	12,223,290,463	20,569,480,496	34,613,079,935	58,242,376,271	97,999,675,026
16	318,515,437	536,694,276	903,839,411	1,522,778,786	2,563,564,806	4,315,357,783	7,263,142,954	12,223,290,463	20,569,480,496	34,613,079,935	58,242,376,271	97,999,675,026
17	45,502,205	76,670,611	129,119,916	217,539,827	366,223,544	616,479,683	1,037,591,851	1,746,184,352	2,938,497,214	4,944,725,705	8,320,339,467	13,999,953,575
18	36,401,764	61,336,489	103,295,933	174,031,861	292,978,835	493,183,747	830,073,480	1,396,947,481	2,350,797,771	3,955,780,564	6,656,271,574	11,199,962,860
19	11,375,551	19,167,653	32,279,979	54,384,957	91,555,886	154,119,921	259,397,963	436,546,088	734,624,303	1,236,181,426	2,080,084,867	3,499,988,394
20	730,310,394	1,230,563,305	2,072,374,649	3,491,514,218	5,877,887,876	9,894,498,916	16,653,349,202	28,026,258,847	47,162,880,280	79,362,847,565	133,541,448,450	224,699,254,880
21	2,275,110	3,833,531	6,455,996	10,876,991	18,311,177	30,823,984	51,879,593	87,309,218	146,924,861	247,236,285	416,016,973	699,997,679
22	68,253,308	115,005,916	193,679,874	326,309,740	549,335,316	924,719,525	1,556,387,776	2,619,276,528	4,407,745,821	7,417,088,557	12,480,509,201	20,999,930,363
23	22,751,103	38,335,305	64,559,958	108,769,913	183,111,772	308,239,842	518,795,925	873,092,176	1,469,248,607	2,472,362,852	4,160,169,734	6,999,976,788
24	546,026,463	920,047,331	1,549,438,990	2,610,477,920	4,394,682,524	7,397,756,199	12,451,102,207	20,954,212,222	35,261,966,565	59,336,708,460	99,844,073,607	167,999,442,901
25	194,310,303	331,324,280	563,059,677	990,528,263	1,637,978,660	2,768,495,003	4,674,032,240	7,884,475,801	13,291,604,653	22,390,732,045	37,707,537,983	63,487,019,000
26	639,305,984	1,077,222,083	1,814,134,817	3,056,434,564	5,145,440,789	8,661,539,550	14,578,165,501	24,533,890,143	41,285,885,853	69,473,396,155	116,900,769,515	196,699,347,730
27	273,013,231	460,023,665	774,719,495	1,305,238,960	2,197,341,262	3,698,878,100	6,225,551,104	10,477,106,111	17,630,983,282	29,668,354,230	49,922,036,804	83,999,721,451
28	9,100,601,217	15,334,392,058	25,824,437,661	43,508,731,065	73,245,997,835	123,298,106,654	207,522,022,427	349,243,016,911	587,709,786,210	988,962,546,358	1,664,097,180,923	2,800,039,994,630

Parker Industries Ltd. All Rights Reserved, 2015: Retirement Housing Concept Unit Project Cost Allocation:

Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Totals		Property Acquisition:
471,121,096,197	792,686,869,394	1,333,723,636,293	2,244,017,855,851	3,775,582,529,247	6,352,424,642,845	10,687,927,156,998	17,982,369,122,500	44,329,947,575,942	1	Property Purchase Payment(s)
9,422,421,924	15,853,737,388	26,674,472,726	44,880,357,117	75,511,650,585	127,048,492,857	213,758,543,140	359,647,382,450	886,598,951,521	2	Property Transfer Tax (% of land cost)
4,711,210,962	7,926,868,694	13,337,236,363	22,440,178,559	37,755,825,292	63,524,246,428	106,879,271,570	179,823,691,225	443,299,475,762	3	Legal & misc. Closing costs
7,066,816,443	11,890,303,041	20,005,854,544	33,660,267,838	56,633,737,939	95,286,369,643	160,318,907,355	269,735,536,838	664,949,213,643	4	Property Taxes, Ins., Utilities, etc.
492,321,545,525	828,357,778,517	1,393,741,199,927	2,344,998,659,364	3,945,483,743,063	6,638,283,751,773	11,168,883,879,063	18,791,575,733,013	46,324,795,216,863	5	Subtotal Land costs:
										Zoning & Permitting:
109,818,327,512	184,775,309,236	310,890,979,587	523,080,562,143	880,088,287,473	1,480,750,184,088	2,491,355,820,029	4,191,690,242,005	10,333,310,778,849	6	Architectural @ % of Con. costs
86,285,828,759	145,180,600,114	244,271,483,961	410,991,870,255	691,497,940,157	1,163,446,573,212	1,957,493,858,594	3,293,470,904,433	8,119,029,897,670	7	Engineering @ % of Con. costs
34,828,098,154	58,600,169,501	98,596,853,526	165,891,263,994	279,113,714,027	469,609,344,097	790,115,702,923	1,329,364,619,607	3,277,135,704,155	8	Administration @ % of Con. costs
230,932,254,425	388,556,078,851	653,759,317,074	1,099,963,696,392	1,850,699,941,658	3,113,806,101,397	5,238,965,381,547	8,814,525,766,045	21,729,476,380,663	9	Subtotal Permitting:
										Development Construction costs:
2,666,545,404,473	4,486,607,680,771	7,548,875,781,420	12,701,141,064,116	21,369,797,115,538	35,954,723,478,502	60,493,667,708,608	101,780,209,233,352	250,907,503,279,836	10	Building Costs
235,560,548,098	396,343,434,697	666,861,818,147	1,122,008,927,925	1,887,791,264,623	3,176,212,321,422	5,343,963,578,499	8,991,184,561,250	22,164,973,787,982	11	On-site, Off-site Improvements, D.C.C.'s
235,560,548,098	396,343,434,697	666,861,818,147	1,122,008,927,925	1,887,791,264,623	3,176,212,321,422	5,343,963,578,499	8,991,184,561,250	22,164,973,787,983	12	Construction Contingency
463,470,795	782,937,172	1,320,900,793	2,226,532,687	3,750,699,475	6,315,230,871	10,629,359,266	17,901,682,519	44,053,462,149	13	Renovation of Buy-Back Unit @ 20%
3,137,666,500,333	5,279,294,549,599	8,882,599,416,762	14,945,158,918,365	25,145,379,642,088	42,307,148,116,809	71,181,594,857,972	119,762,578,343,009	295,237,450,824,112	14	Subtotal Development costs:
										Marketing & Administrative costs:
164,892,383,669	277,440,404,288	466,803,272,703	785,406,249,548	1,321,453,885,236	2,223,348,624,996	3,740,774,504,949	6,293,829,192,875	15,515,481,651,594	15	Global advertising & promotion
164,892,383,669	277,440,404,288	466,803,272,703	785,406,249,548	1,321,453,885,236	2,223,348,624,996	3,740,774,504,949	6,293,829,192,875	15,515,481,651,595	16	Fixed marketing
23,556,054,810	39,634,343,470	66,686,181,815	112,200,892,793	188,779,126,462	317,621,232,142	534,396,357,850	899,118,456,125	2,216,497,378,814	17	Contingency marketing
18,844,843,848	31,707,474,776	53,348,945,452	89,760,714,234	151,023,301,170	254,096,985,714	427,517,086,280	719,294,764,900	1,773,197,903,056	18	Administrative general
5,889,013,702	9,908,585,867	16,671,545,454	28,050,223,198	47,194,781,616	79,405,308,036	133,599,089,462	224,779,614,031	554,124,344,718	19	Administrative Legal
378,074,679,698	636,131,212,689	1,070,313,218,125	1,800,824,329,320	3,029,904,979,721	5,097,820,775,883	8,577,061,543,491	14,430,851,220,807	35,574,782,929,713	20	Subtotal Marketing & Administrative:
										Financing costs:
1,177,802,740	1,981,717,173	3,334,309,091	5,610,044,640	9,438,956,323	15,881,061,607	26,719,817,892	44,955,922,806	110,824,868,961	21	Pre-Financing Appraisal
35,334,082,215	59,451,515,205	100,029,272,722	168,301,339,189	283,168,689,694	476,431,848,213	801,594,536,775	1,348,677,684,188	3,324,746,068,218	22	Broker fees
11,778,027,405	19,817,171,735	33,343,090,907	56,100,446,396	94,389,563,231	158,810,616,071	267,198,178,925	449,559,228,063	1,108,248,689,422	23	Lender fees
282,672,657,718	475,612,121,637	800,234,181,776	1,346,410,713,511	2,265,349,517,548	3,811,454,785,707	6,412,756,294,199	10,789,421,473,500	26,597,968,545,589	24	Interest calculated annually
106,871,547,127	179,878,390,189	302,727,059,017	509,436,996,576	857,245,442,781	1,442,452,911,181	2,427,082,661,494	4,083,807,099,486	10,065,684,452,852	25	Pension/Buy-Back Payments
330,962,570,078	556,862,525,749	936,940,854,496	1,576,422,543,735	2,652,346,726,796	4,462,578,311,599	7,508,268,827,791	12,632,614,308,557	31,141,788,172,125	26	Subtotal Financing costs:
141,336,328,859	237,806,060,818	400,117,090,888	673,205,356,755	1,132,674,758,774	1,905,727,392,853	3,206,378,147,099	5,394,710,736,750	13,298,984,272,809	27	Overall Project contingency
4,711,293,878,918	7,927,008,206,223	13,337,471,097,272	22,440,573,503,932	37,756,489,792,099	63,525,364,450,314	106,881,152,636,963	179,826,856,108,180	443,307,277,796,212	28	Total Unit Project Cost Allocation:

Parker Industries Ltd. All Rights Reserved, 2015: Retirement Housing Concept Cost Per Unit Allocation:

Cost per \$100,000 Unit Share		
2	\$ 8,360.00	Land
3	\$ 3,921.41	Design & Permitting
4	\$ 53,280.00	Hard Construction
5	\$ 6,420.00	Marketing
6	\$ 5,620.00	Finance
7	\$ 80,001.41	Total Unit Cost

Cost per \$400,000 Living Unit		
9	\$ 33,440.00	Land
10	\$ 15,685.63	Design & Permitting
11	\$ 213,120.00	Hard Construction
12	\$ 25,680.00	Marketing
13	\$ 22,480.00	Finance
14	\$ 320,005.63	Total Unit Cost

Cost per 100 - \$400,000 Living Units		
16	\$ 3,344,000.00	Land
17	\$ 1,568,563.20	Design & Permitting
18	\$ 21,312,000.00	Hard Construction
19	\$ 2,568,000.00	Marketing
20	\$ 2,248,000.00	Finance
21	\$ 32,000,563.20	Total Unit Cost

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\$20,000 Equity Unit Amount:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Simple Annual Earnings	1	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00
Annual Compound Earnings	2	\$ 2,200.00	\$ 1,650.00	\$ 2,887.50	\$ 5,053.13	\$ 8,842.97	\$ 15,475.20	\$ 26,256.59	\$ 44,505.29	\$ 75,357.69	\$ 127,454.47	\$ 215,307.72	\$ 363,247.72
Annual Compound Earnings as %	3	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Less Administrative Fees:	4	\$ (200.00)	\$ (150.00)	\$ (262.50)	\$ (459.37)	\$ (803.91)	\$ (1,406.84)	\$ (2,386.96)	\$ (4,045.94)	\$ (6,850.70)	\$ (11,586.77)	\$ (19,573.43)	\$ (33,022.52)
Cummulative Compound Net Earnings	5	\$ 2,000.00	\$ 3,500.00	\$ 6,125.00	\$ 10,718.75	\$ 18,757.81	\$ 32,826.17	\$ 56,695.80	\$ 97,155.15	\$ 165,662.14	\$ 281,529.84	\$ 477,264.13	\$ 807,489.33
Cummulative Comp. Net Earnings as %	6	10.00%	17.50%	30.63%	53.59%	93.79%	164.13%	283.48%	485.78%	828.31%	1407.65%	2386.32%	4037.45%
Earnings = \$400,000 Living Unit:	7											Year 11:	
\$10,000 Equity Unit Amount:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Simple Annual Earnings	8	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
Annual Compound Earnings	9	\$ 1,100.00	\$ 825.00	\$ 1,443.75	\$ 2,526.56	\$ 4,421.48	\$ 7,737.60	\$ 13,128.30	\$ 22,252.64	\$ 37,678.84	\$ 63,727.23	\$ 107,653.86	\$ 181,623.86
Annual Compound Earnings as %	10	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Less Administrative Fees:	11	\$ (100.00)	\$ (75.00)	\$ (131.25)	\$ (229.69)	\$ (401.95)	\$ (703.42)	\$ (1,193.48)	\$ (2,022.97)	\$ (3,425.35)	\$ (5,793.38)	\$ (9,786.71)	\$ (16,511.26)
Cummulative Compound Net Earnings	12	\$ 1,000.00	\$ 1,750.00	\$ 3,062.50	\$ 5,359.38	\$ 9,378.91	\$ 16,413.09	\$ 28,347.90	\$ 48,577.58	\$ 82,831.07	\$ 140,764.92	\$ 238,632.07	\$ 403,744.66
Cummulative Comp. Net Earnings as %	13	10.00%	17.50%	30.63%	53.59%	93.79%	164.13%	283.48%	485.78%	828.31%	1407.65%	2386.32%	4037.45%
Earnings = \$400,000 Living Unit:	14											Year 12:	
\$100,000 Equity Unit Amount:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Simple Annual Earnings	15	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
Annual Compound Earnings	16	\$ 11,000.00	\$ 8,250.00	\$ 14,437.50	\$ 25,265.63	\$ 44,214.84	\$ 77,375.98	\$ 131,282.96	\$ 222,526.43	\$ 376,788.44	\$ 637,272.34	\$ 1,076,538.61	\$ 1,816,238.59
Annual Compound Earnings as %	17	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Less Administrative Fees:	18	\$ (1,000.00)	\$ (750.00)	\$ (1,312.50)	\$ (2,296.87)	\$ (4,019.53)	\$ (7,034.18)	\$ (11,934.81)	\$ (20,229.68)	\$ (34,253.49)	\$ (57,933.85)	\$ (97,867.15)	\$ (165,112.60)
Cummulative Compound Net Earnings	19	\$ 10,000.00	\$ 17,500.00	\$ 30,625.00	\$ 53,593.75	\$ 93,789.06	\$ 164,130.86	\$ 283,479.00	\$ 485,775.76	\$ 828,310.70	\$ 1,407,649.19	\$ 2,386,320.66	\$ 4,037,446.65
Cummulative Comp. Net Earnings as %	20	10.00%	17.50%	30.63%	53.59%	93.79%	164.13%	283.48%	485.78%	828.31%	1407.65%	2386.32%	4037.45%
Earnings = \$400,000 Living Unit:	21											Year 8:	