

**3313 Danforth Avenue
Toronto, Ontario**

Environment

A phase 1 in March 2006 and Phase 2 in April 2006 were provided by Risk Check Environmental Ltd. Resulting in the recommendation that asbestos pipe wrap be removed. The work was carried out and a certificate issued in April 2006.

Acquisition

The property was acquired by Allan Clark on May 26, 2006 from Ted Miliotis and 774395 Ontario Ltd.

The purchase was financed as follows:

Price	\$1,050,000.00
First Mortgage	\$ 700,000.00 arranged by purchaser
Second Mortgage	\$ 100,000.00 vendor take back
Cash	\$ 250,000.00

Current Debt

First

Mortgagee	Ted Batcher
Int. Adjustment Date	May 29, 2006
Loan Amount	\$700,000.00
Term & Rate	2 Years @ 7.75%
Repayment	\$1,950.00 monthly principal plus interest
Balance	\$661,000.00 outstanding February 1, 2008

Second

Mortgagee	Ted Miliotis & 774395 Ontario Ltd.
Int. Adjustment Date	May 29, 2006
Loan Amount	\$100,000.00
Term & Rate	1 year @ 8%
Repayment	\$948.15 monthly principal and interest
Balance	\$96,256.00 outstanding as of January 26, 2008

Notes

- 1) Both mortgages are paid current and are in good standing.
- 2) The second mortgage to Miliotis & 774395 Ontario Ltd. Has been assigned to Royal Bank

Tenancy

The property is currently leased to 1274458 Ontario Inc. O/A Frontier Sales at \$127,992.00 per year absolute net for a term of 5 years with a 5 year option at a rental rate to be determined.

Cash Flow

Annual Rent as per lease	\$127,992.00	(9.99 PSF)
Recoveries, Insurance @ 7148.04 + taxes 42529.15	<u>\$ 49,677.19</u>	
	\$177,659.19	(13.87 PSF)
Vacancy 5%	<u>\$ 8,774.00</u>	
Effective Gross Income (E.G.I.)	\$168,885.19	\$168,885.19
Expenses		
Realty Taxes	\$ 42,529.15	
Insurance	\$ 7,148.04	
Maintenance and Repair	\$ 5,000.00	
Mgr@ 3% and SR @1%	<u>\$ 6,668.00</u>	
Total Expenses	\$ 61,345.19	
Net Operating Expenses (NOI)		<u>\$ 61,345.19</u>
		\$107,540.00