



March 29, 2021

RMOW Mayor and Council and Ginny Cullen, CEO
 Resort Municipality of Whistler
 4325 Blackcomb Way,
 Whistler, BC
 By eMail

Re: Cheakamus Crossing Phase 2 Financing

Dear Mayor, Council and Ms. Cullen,

Please accept this letter as a formal request for Council to review a number of items contained within the latest version of the RMOW/WDC "LOC loan agreement". WDC thanks staff for their ongoing consideration of the feedback provided by the WDC Board Members and are generally in agreement with the latest DRAFT document. There are however a couple of business issues that WDC requests feedback and/or direction from Council. At this time, WDC would also like to share concerns about the Phase 2 development and lastly, to provide a little more context to the historic and outstanding development debt owing to the RMOW.

WDC's immediate concern is WDC's short-term cashflow, and its ability to maintain recent progress and commitment to critical contracts and material purchases required to start Parcel A, and to avoid unnecessary delays or additional expenses.

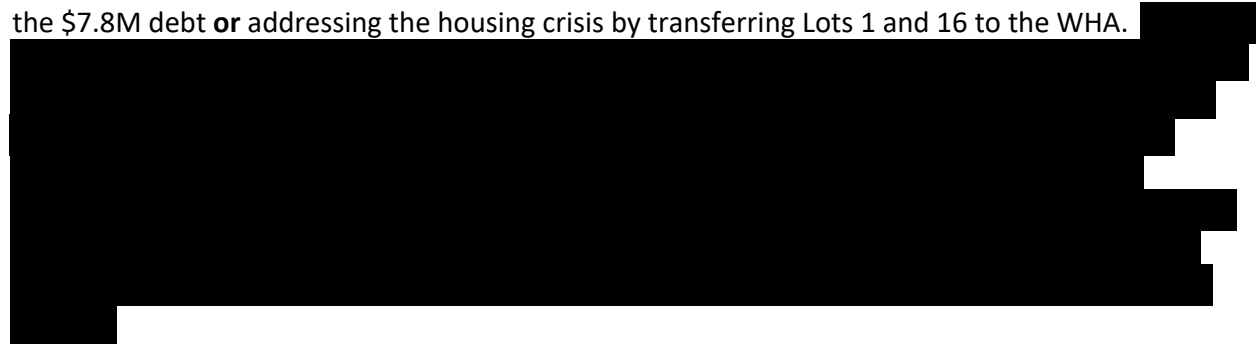
Material cost escalation is an industry challenge throughout North America, as is availability of essential materials such as reinforcing and structural steel, engineered wood products, framing lumber and plywood, windows and mechanical equipment. Outside of Parcel A, WDC is exposed to increasing civil pipe costs due to rising oil costs and production disruptions due to recent weather events in Texas. WDC's project managers have estimated impacts to our current budgets are in the hundred's of thousands of dollars (Reinforcing steel \$88k, framing lumber \$400k, pipe escalation 10+%, etc). Fortunately, current budgets have either anticipated some escalation or have allowed generous contingencies to accommodate, or mitigate, current realities. To avoid delays in starting parcel A, being exposed to unknow costs, losing essential trades (due to competing projects), or roofing building A in winter, WDC requests an immediate injection of funds – to be able to commit to fixed priced contracts and lock in material pricing. The advance can be treated under the same terms and conditions currently contemplated under the loan agreement being considered by Council.

With respect to the loan agreement, the WDC Board provided a significant number of edits that are not included in the document being presented to Council. It is understood the document is a

modified version of a previously developed WHA loan agreement and that the WDC version seeks to include recognition of the additional existing debt the WDC owes to the RMOW. The historic debt, and how it has evolved is of concern to the WDC Board, because the recognition of the current \$9.37M balance is not reflective of historic events, or decisions of the WDC Board. The Board does acknowledge that in 2017 the Phase 1 Cheakamus Crossing Development debt was approximately \$7,885,195, and has historically attempted to repay any outstanding balance, as per WDC's mandate.

How the debt originated can be attributed to a relatively small number of pre- and post-Olympic challenges. When the WDC pre-sold employee housing units to the WHA ownership waitlist in late 2008, the final cost of the development was not known. The pricing model used by WDC to estimate the sale price two years prior to delivery was based on purchase and affordability criteria in 2008, prior to the global financial crisis (GFC). In addition to Olympic (construction) inflation, the project scope increased a number of times due to VANOC requirements, and other additions such as the district energy system (DES) and associated mechanical costs. The result being WDC was obliged to sell the employee units for less than they cost, on a relative basis. In addition, as a consequence of the GFC, and the untested desirability of the Cheakamus neighbourhood, WDC was unable to sell the Riverbend market townhouses for what the proforma values assumed, resulting in a "loss of income" of approximately \$4M. Similarly, the nine Madeley Place lots were also discounted by at least \$1.5M by the time they were sold. The majority of remaining developed inventory was sold by the end of 2013, at which time the RMOW debt was reduced to \$16M. WDC reduced the debt further between 2014 and 2017 by selling an additional \$9.1M of vacant land, leaving WDC with Lots 1, 16 and remainder Parcel A (Upper lands).

In 2016 and 2017 the RMOW Council and WDC Board considered a number of alternatives to retire the \$7.8M debt or addressing the housing crisis by transferring Lots 1 and 16 to the WHA.



The second issue with respect to the increased debt between 2017 and 2018 is that the WDC Board did not manage or initiate the expenses attributed to the district energy system (DES) and ultimately the \$860k DES payout. The fact that additional interest is being charged is similar to above. Appendix C provide financial history of the change in expenditure and debt from 2017 to 2019. Appendix D includes a number of supporting notes regarding WDC's financial position at the end of 2017, including whether the RMOW should be charging interest on the WDC debt.

It is WDC's position that the RMOW Council should consider the facts above when finalizing the terms of repayment. For instance, could the WHA assume a part of the debt and reduce a portion of the balance with future surplus cashflows? Would the additional working capital allow WDC to advance additional housing projects on the newly created development parcels along Mt Fee Road? WDC will accept Council's preference.

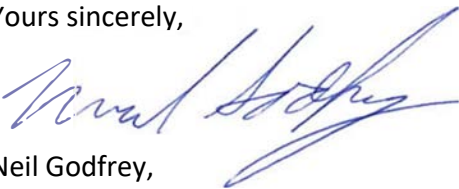
Secondly, based on Appendix E, WDC's anticipated monthly cashflow, the currently monthly advance limit of \$1,000,000 suggested in the loan agreement will not support WDC's anticipated progress in the short term. Once WDC has arranged construction financing for Parcel A, this is less of a concern.

To enable construction financing WDC, consistent with the Parcel A Project Plan presented to Council in 2020, has made a decision that Building A will be an ownership building. Unfortunately, BC Housing has delayed decisions relating to rental housing funding that the WHA may have qualified for, to support a Building A as a rental building. Therefore WDC, at its next Board Meeting, will discuss appropriate "for-sale" pricing to comfortably cover the cost of Building A, including associated site servicing costs and a reasonable contribution to the land value being developed. The updated proforma will be the basis for a construction financing proposal, in addition to the estimated value of the 18 market lots. Appendix F updates the previous options presented to Council to include OPTION 4a and 4b. Option 4a allows for BC Housing and/or CMHC funding to support Building B as a rental building (Up to Dec 31, 2021). Option 4b assumes no additional rental housing subsidies, and therefore Parcel A becomes 100% "for-sale" employee housing. WDC will provide an updated Parcel A Project Plan after establishing unit sale prices later this month.

Lastly, WDC would like to request RMOW Council consider the \$10,000,000 line of credit (LOC) be a "revolving" LOC, with a longer term. Depending on property sales WDC may be able to pay down the facility before reducing Parcel A's commercial construction debt. If Council supports initiating a follow up housing project on any (or all) the remaining serviced parcels in Phase 2, WDC may need to draw down on the LOC to enable one or more projects to proceed. This of course depends on how the future Housing Reserve Policy is structured. WDC's interest is ensuring WDC has the financial resources to facilitate housing projects and fulfil its mandate.

In conclusion, WDC is excited to move ahead with the Parcel A Development and is generally supportive of the Loan Agreement being discussed by RMOW Council. WDC assumes the remaining business terms can be clarified and resolved in the near future, and that in the meantime the RMOW can advance sufficient funds to maintain the momentum achieved to date by the collaborative efforts of our two organizations.

Yours sincerely,



Neil Godfrey,
Development Manager WDC

APPENDIX C

WHISTLER 2020 DEVELOPMENT CORP STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FINANCIAL ASSETS													
Cash	200,958	8,385	29,307	5,672	98,852	165,874	23,032	36,467	383,465	409,460	163,034	169,354	63,560
Receivable from WHA		4,959,143	6,553,308										
Receivable from RMOW - cost share			1,219,786										
Goods and services tax receivable	382,696	1,287,318	311,592	239,507									
Other Accounts Receivable		301,130	265,124	687,095	138,893	54,278	1,020,000	1,020,737	685,457	3,661	2,729	1,479	12,182
Accrued VIK, VANOC/GE			879,001										
Temporary Investments	9,588,212	830,000	2,073	2,085	2,107								
Future Funding	1,868,162	6,083,199											
Land									850,000	1,160,374	365,000	365,000	365,000
Property for Resale	23,911,788	63,728,580	96,731,332	20,611,953	15,243,093	8,852,979	8,151,958	6,720,789	5,055,119	3,334,883			
	35,951,816	77,197,755	105,991,524	21,546,312	15,482,945	9,073,131	9,194,990	7,777,993	6,974,041	4,908,378	530,763	535,833	440,742
LIABILITIES													
MFA Loan through RMOW		60,596,824	100,000,000	16,500,000	9,100,000	1,576,089	0						
Amount Owed to RMOW				14,291,263	15,354,756	15,941,371	16,875,890	14,648,372	13,331,783	11,474,601	7,885,195	8,347,152	9,369,733
Accounts Payable & Accrued Liabilities	2,451,815	10,251,382	2,370,967	437,922	83,078	26,691	207,440	24,887	37,159	95,245	9,935	6,753	38,967
Deferred contribution	9,588,212												
Harmonized sales tax payable					162,577								
Deposit on Hostel Sale		2,700,000	2,700,000										
	12,040,027	73,548,206	105,070,967	31,229,185	24,700,411	17,544,151	17,083,330	14,673,259	13,368,942	11,569,846	7,895,130	8,353,905	9,408,700
NET FINANCIAL ASSETS (DEBT)	23,911,789	3,649,549	920,557	(9,682,873)	(9,217,466)	(8,471,020)	(7,888,340)	(6,895,266)	(6,394,901)	(6,661,468)	(7,364,367)	(7,818,072)	(8,967,958)
NON FINANCIAL ASSETS													
Prepaid Expenses	0	0	201,668	7,647	8,364	6,613	6,587	1372	5,215				
Property for Future Development											1,777,634	2,109,280	2,458,669
Assets for future transfer to RMOW		16,859,263	22,525,738	0									
NON FINANCIAL ASSETS	0	16,859,263	22,727,406	7,647	8,364	6,613	6,587	1,372	5,215	0	1,777,634	2,109,280	2,458,669
ACCUMULATED SURPLUS or DEFICIT	23,911,789	20,508,812	23,647,964	(9,675,226)	(9,209,102)	(8,464,407)	(7,881,753)	(6,890,051)	(6,394,900)	(6,661,486)	(5,586,733)	(5,708,792)	(6,509,290)

WHISTLER 2020 DEVELOPMENT CORP
STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED DECEMBER 31, YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUE													
Contributions from RMOW (VANOC)	29,500,000	9,588,212	2,000,000										
VANOC contributions deferred	(9,588,212)												
Contributions from RMOW			8,000,000			1,494,308							
Property Sales				83,910,972	6,995,664	7,826,466	1,722,475	2,525,000	1,431,000	1,325,100	3,823,986	0	0
Lease & Other Revenue			1					54,845	54,925	54,799	57,013	57,409	258,769
Interest Revenue	685,364	122,089	40,491	18,332	3,013	953	21,776	8,126	27,335	15,272	39,056	2,539	3,188
Cost Sharing Revenue			1,772,690	46,072									
Other Recoveries		535,110	3,529,109	1,227,911	161,095	291,659	7,591	155,666	29,332	68	0	763	
	20,597,152	10,245,411	15,342,291	85,203,287	7,159,772	9,613,386	1,751,842	2,743,637	1,542,592	1,395,239	3,920,055	60,711	261,957
Interest revenue & cost sharing capitalized to property for resale	(685,364)	(122,089)	(40,491)	(18,332)	(3,013)	(953)	(21,776)						
Recoverable expense			(3,445,312)	(784,058)									
Cost Sharing expenses			(1,772,690)	(46,072)									
Cost of Property Sold				(92,797,170)	(6,690,635)	(8,867,738)	(1,147,412)	(1,431,169)	(815,670)	(450,000)	(1,557,247)	0	0
	(685,364)	(122,089)	(5,258,493)	(93,645,632)	(6,693,648)	(8,868,691)	(1,169,188)	(1,431,169)	(815,670)	(450,000)	(1,557,247)	0	0
NET INCOME	19,911,788	10,123,322	10,083,798	(8,442,345)	466,124	744,695	582,654	1,312,468	726,922	945,239	2,362,808	60,711	261,957
EXPENSES													
Administration and Other	164,694	1,017,366	1,057,486	1,155,320	716,212	573,580	162,707	109,329	123,124	180,230	428,706	62,515	894,885
Payroll, Salaries & benefits	237,889	317,924	290,361	224,380	16,366								
Professional fees	53	368,381	475,668	319,179	27,744	33,969	20,441	5,246	1,777	92	153	7,401	18,660
Advertising	76,517	276,313	86,223	39,171	49,270	16,154	1,880	360	600	741	240	380	240
Debt Interest		416,301	842,485	676,082	456,020	350,257	283,139	205,831	106,271	60,744	63,599	112,473	148,672
Asset Disposal Loss										970,000	795,374		
	479,153	2,396,285	2,752,223	2,414,132	1,265,612	973,960	468,167	320,766	231,772	1,211,807	1,288,072	182,769	1,062,457
Less: expenses capitalized to property for resale	(479,153)	(2,396,285)	(2,752,223)	(2,414,132)	(1,265,612)	(973,960)	(468,167)						
Cost of sale of pump			(2,165,000)	(59,409)									
Writedown of carrying value of property				(1,265,000)									
Contribution of RMOW infrastructure & assets				(23,556,435)									
EXCESS REVENUE OVER EXPENSES FOR THE YEAR													
	19,911,788	10,123,322	7,918,798	(33,323,189)	466,124	744,695	582,654	991,702	495,150	(266,568)	1,074,736	(122,058)	(800,500)
ACCUMULATED SUPRLUS or DEFICIT													
	23,911,788	34,035,110	41,953,908	(9,675,226)	(9,209,102)	(8,464,407)	(7,881,753)	(6,890,051)	(6,394,901)	(6,661,469)	(5,586,732)	(5,708,791)	(6,509,291)
(Check Financial Statements)		34,035,110	23,647,963	(9,675,226)	(9,209,102)	(8,464,407)	(7,881,753)	(6,890,051)	(6,394,901)	(6,661,468)	(5,586,733)	(5,708,791)	(6,509,290)
Amount Owed to RMOW				14,291,263	15,354,756	15,941,371	16,875,890	14,648,372	13,331,783	11,474,601	7,885,195	8,347,152	9,369,733
Annual change in debt					1,063,493	586,615	934,519	(2,227,518)	(1,316,589)	(1,857,182)	(3,589,406)	461,957	1,022,581
Debt Interest							283,139	205,831	106,271	60,744	63,599	112,473	148,672
Interest % of Outstanding Debt							1.68%	1.41%	0.80%	0.53%	0.81%	1.35%	1.59%

APPENDIX D

APPENDIX D: Relevant evidence of unresolved debt discussion

Note on WDC's Audited Financial Statements, 2017

31-Dec-17

During the year the Resort Municipality of Whistler ("RMOW") Council provided direction to Whistler 2020 Development Corporation ("WDC") that impacted its mandate. This included:

- Directing transfer of Lot 16 to the Whistler Housing Authority for purposes of employee housing. This property had a book value of \$795,374 and a market value of \$2,100,000 at the time of transfer.
- Delaying sale or development of remaining development lots for the foreseeable future

There exists an inter-entity debt from WDC owing to the RMOW in the amount of \$7,885,195. There are no terms and conditions attached to this debt. It is intended that it can be eventually repaid at such time as the remaining development lots are sold.

Without the sale of market lots, WDC has no means by which to repay the current debt of \$7,885,195. The WDC Business Plan from 2006, and all subsequent amendments, has always included full debt repayment to the RMOW so the current circumstances represent a departure from operating practice from the outset.

WHA 2017 Audited Financial Statement says:

6. Related Party Transactions

- b) The RMOW transferred two parcels of land located at 1020 Legacy Way and 8350 Bear Paw Trail to the WHA for total consideration of \$10 each. The carrying value of the land on the date of the transfer was \$795,374 and \$1,000 respectively.

MINUTES

WDC BOARD OF DIRECTORS MEETING

MONDAY, MAY 9, 2016 STARTING AT 2:00 P.M.

MEETING ROOM FLUTE, RESORT MUNICIPALITY OF WHISTLER
4325 BLACKCOMB WAY

Review Financials – Statements of Operations and Financial Position

M. Peatfield stated that the auditors recently mentioned that RMOW should not charge interest on the debt between the RMOW and WDC. The auditors did not consider Phase 2 development in their consolidated report analysis. There was a discussion surrounding charging interest and debt repayments; as well as valuation of the land based on its use in paying back Olympics loans, as well as a question as to whether the Business Plan can be amended accordingly.

Action item: M. Peatfield to discuss with auditors the requirements to include the Phase 2 lands as inventory and the appropriateness of charging interest on the intercompany loan between the RMOW and WDC..

Action item: M. Peatfield to check Council resolutions: there was one that was rescinded.

Resolution To approve the unaudited financial statements of WDC for the year ended December 31, 2015.

Motion by Jim Moodie

Seconded by Nancy Wilhelm-Morden

Carried

APPENDIX E

Project Cashflow Estimate as at March27 2021

		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21													
Project Cashflow Estimate as at March27 2021		1	2	3	4	5	6	7	8	9	10	11	12													
Months																										
DEVELOPMENT EXPENSES																										
Development Manager, Accounting	\$	440,000	\$	10,000	\$	10,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000								
Project Management, Civil	\$	415,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	20,000	\$	15,000								
Legal, Directors Insurance, Mktg etc	\$	225,000	\$	7,500	\$	7,500	\$	7,500	\$	7,500	\$	7,500	\$	7,500	\$	7,500	\$	7,500								
Clearing, Logging, Processing, Stripping	\$	275,000	\$	75,000	\$	75,000	\$	75,000																		
Bulk Blasting, Road Pre-Tender Grading	\$	225,000	\$	15,000	\$	75,000	\$	75,000																		
Building A & B Foundation Blasting	\$	145,000	\$	20,000	\$	50,000	\$	50,000																		
Building A & B Foundation Excavation	\$	255,000	\$	30,000	\$	75,000	\$	75,000																		
BC Hydro, Temporary Service, FSR	\$	75,000			\$	25,000	\$	50,000																		
Bulk Blasting, D3 Market Lots	\$	125,000					\$	50,000	\$	75,000																
Foundations, Parkade w/Sub-Trades	\$	4,750,000					\$	475,000	\$	550,000	\$	600,000	\$	750,000	\$	850,000	\$	700,000	\$	600,000	\$	175,000	\$	50,000		
WHA Parcel A Building A, 46 units	\$	17,250,000								690,000		517,500		517,500		517,500		690,000		776,250		862,500		948,750		
WHA Parcel A Building B, 54 units	\$	13,000,000																								
Earthworks & Site Preparation, Roads	\$	500,000		\$	50,000	\$	75,000	\$	75,000	\$	25,000															
Earthworks & Site Preparation, D3	\$	150,000					\$	75,000	\$	75,000																
Roadworks, including D3	\$	400,000					\$	50,000	\$	50,000	\$	50,000	\$	50,000												
Waterworks, Road, D3 + Parcel A	\$	600,000						\$	100,000	\$	175,000	\$	175,000	\$	100,000	\$	50,000									
Waterworks, Madeley 300mm	\$	350,000																			\$	175,000	\$	175,000		
Sanitary, Road, D3+ Parcel A	\$	400,000								\$	125,000	\$	125,000	\$	100,000	\$	50,000									
Storm Sewer, Road, D3+ Parcel A	\$	400,000								\$	125,000	\$	125,000	\$	100,000	\$	50,000									
DES	\$	650,000									\$	200,000	\$	300,000	\$	150,000										
BC Hydro Design, Infrastructure	\$	300,000			\$	20,000	\$	30,000							\$	100,000	\$	100,000								
Hydro, Tel, Shaw, Gas, Including D3	\$	200,000												\$	75,000	\$	75,000	\$	50,000							
Street, Trail Lighting	\$	150,000															\$	50,000								
Park, Landscaping, Bus Shelters	\$	250,000					\$	25,000	\$	50,000																
Erosion & Sediment Control	\$	30,000				\$	10,000	\$	10,000	\$	10,000															
Environmental & Geotechnical	\$	150,000		\$	15,000	\$	10,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	10,000	\$	10,000	\$	5,000	\$	5,000			
Layout, Survey, As-Builts, Camera	\$	150,000		\$	10,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	10,000	\$	10,000	\$	5,000	\$	5,000			
Engineering, Inspections, As-Builts etc	\$	200,000		\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	10,000	\$	10,000	\$	10,000	\$	5,000			
5% Contingency across all expenses	\$	2,103,000	\$	9,125.0	\$	20,375.0	\$	24,625.0	\$	57,125.0	\$	85,875.0	\$	84,250.0	\$	101,750.0	\$	106,750.0	\$	97,375.0	\$	82,687.5	\$	63,750.0	\$	61,312.5
Total Expenses		44,163,000		191,625		427,875		517,125		1,199,625		1,803,375		1,769,250		2,136,750		2,241,750		2,044,875		1,736,438		1,338,750		1,287,563
Cumulative Mthly Total				619,500		1,136,625		2,336,250		4,139,625		5,908,875		8,045,625		10,287,375		12,332,250		14,068,688		15,407,438		16,695,000		
DEVELOPMENT INCOME																										
Sale, 18 Lots	\$	(23,400,000)																								
less Sales/Closing Costs @3%	\$	702,000																								
Sale, Building A	\$	(18,000,000)																								
less Sales/Closing Costs @3%	\$	540,000																								
Sale, Building B	\$	(22,000,000)																								
less Sales/Closing Costs @3%	\$	660,000																								
Total Income		(61,498,000)		-		-		-		-		-		-		-		-		-		-		-		-
Cumulative Mthly Total				-		-		-		-		-		-		-		-		-		-		-		-
Net Income before Interest		(17,335,000)		191,625		427,875		517,125		1,199,625		1,803,375		1,769,250		2,136,750		2,241,750		2,044,875		1,736,438		1,338,750		1,287,563
Cumulative Mthly Total				619,500		1,136,625		2,336,250		4,139,625		5,908,875		8,045,625		10,287,375		12,332,250		14,068,688		15,407,438		16,695,000		
Interest @ 2.0% , if balance >\$0	\$	399,858					2,894	5,397		8,374		11,629		15,278		18,850		22,001		24,563		26,752				
PROJECT NET INCOME		(16,935,142)		191,625		427,875		517,125		1,202,519		1,808,772		1,777,624		2,148,379		2,257,028		2,063,725		1,758,438		1,363,313		1,314,315
Cumulative Mthly Total				619,500		1,136,625		2,339,144		4,147,916		5,925,539		8,073,918		10,330,946		12,394,670		14,153,109		15,516,422		16,830,737		

Project Cashflow Estimate as at March27 2021			Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
	Months	25	26	27	28	29	30	
DEVELOPMENT EXPENSES								
Development Manager, Accounting	\$	440,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Project Management, Civil	\$	415,000						
Legal, Directors Insurance, Mktg etc	\$	225,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Clearing, Logging, Processing, Stripping	\$	275,000						
Bulk Blasting, Road Pre-Tender Grading	\$	225,000						
Building A & B Foundation Blasting	\$	145,000						
Building A & B Foundation Excavation	\$	255,000						
BC Hydro, Temporary Service, FSR	\$	75,000						
Bulk Blasting, D3 Market Lots	\$	125,000						
Foundations, Parkade w/Sub-Trades	\$	4,750,000						
WHA Parcel A Building A, 46 units	\$	17,250,000						
WHA Parcel A Building B, 54 units	\$	13,000,000	1,040,000	1,040,000	975,000	845,000	650,000	390,000
Earthworks & Site Preparation, Roads	\$	500,000						
Earthworks & Site Preparation, D3	\$	150,000						
Roadworks, including D3	\$	400,000						
Waterworks, Road, D3 + Parcel A	\$	600,000						
Waterworks, Madeley 300mm	\$	350,000						
Sanitary, Road, D3+ Parcel A	\$	400,000						
Storm Sewer, Road, D3+ Parcel A	\$	400,000						
DES	\$	650,000						
BC Hydro Design, Infrastructure	\$	300,000						
Hydro, Tel, Shaw, Gas, Including D3	\$	200,000						
Street, Trail Lighting	\$	150,000						
Park, Landscaping, Bus Shelters	\$	250,000			\$ 50,000	\$ 75,000	\$ 50,000	
Erosion & Sediment Control	\$	30,000						
Environmental & Geotechnical	\$	150,000				\$ 5,000		
Layout, Survey, As-Built, Camera	\$	150,000				2500		2500
Engineering, Inspections, As-Built etc	\$	200,000						
5% Contingency across all expenses	\$	2,103,000	\$ 53,125.0	\$ 53,125.0	\$ 49,875.0	\$ 45,875.0	\$ 37,750.0	\$ 23,250.0
Total Expenses		44,163,000	1,115,625	1,115,625	1,047,375	963,375	792,750	488,250
Cumulative Mthly Total			39,755,625	40,871,250	41,918,625	42,882,000	43,674,750	44,163,000
DEVELOPMENT INCOME								
Sale, 18 Lots	\$	(23,400,000)						
less Sales/Closing Costs @3%	\$	702,000						
Sale, Building A	\$	(18,000,000)						
less Sales/Closing Costs @3%	\$	540,000						
Sale, Building B	\$	(22,000,000)					(22,000,000)	
less Sales/Closing Costs @3%	\$	660,000					660,000	
Total Income		(61,498,000)	-	-	-	-	(21,340,000)	-
Cumulative Mthly Total			(40,158,000)	(40,158,000)	(40,158,000)	(40,158,000)	(61,498,000)	(61,498,000)
Net Income before Interest		(17,335,000)	1,115,625	1,115,625	1,047,375	963,375	(20,547,250)	488,250
Cumulative Mthly Total			(402,375)	713,250	1,760,625	2,724,000	(17,823,250)	(17,335,000)
Interest @ 2.0% , if balance >\$0	\$	399,858	-	259	2,062	3,737	-	-
PROJECT NET INCOME		(16,935,142)	1,115,625	1,115,884	1,049,437	967,112	(20,547,250)	488,250
Cumulative Mthly Total			(8,575)	1,107,309	2,156,746	3,123,858	(17,423,392)	(16,935,142)

APPENDIX F

CASH FLOW SUMMARY, 100 Units Rental or Ownership		100% Rental	100% Rental	Rental & Sale	Rental & Sale	100% Sale	100% Sale	Rental & Sale	100% Sale
Scenario		1a	1b	2a	2b	3a	3b	4a	4b
Outflows									
	Parcel A Advance Site & Road Work	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
	Parcel A Building A, incl Bldg B Parkade	16,677,581	16,677,581	16,677,581	16,677,581	16,677,581	16,677,581	24,000,000	24,000,000
	Parcel A Building B	20,817,411	20,817,411	20,817,411	20,817,411	20,817,411	20,817,411	15,000,000	15,000,000
	Parcel A, Credit for work prior to April Start	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
	Civil, Offsite, re: Parcel A	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,150,000	1,150,000
	Parcel A Subtotal	37,994,991	37,994,991	37,994,991	37,994,991	37,994,991	37,994,991	39,650,000	39,650,000
	Civil, Offsite, re: Mt Fee Road, Parcel D3 (Lots)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	4,150,000	4,150,000
	Project Interest Expense	70,000	70,000	70,000	70,000	70,000	70,000	400,000	400,000
Total Outflows		41,814,991	41,814,991	41,814,991	41,814,991	41,814,991	41,814,991	44,200,000	44,200,000
Inflows									
Grant	BC Housing Grant	12,100,000	12,100,000	5,450,000				5,400,000	
Grant	CMHC Grant	2,000,000	2,000,000	1,000,000				500,000	
Grant	Infrastructure Grant	2,000,000							
Takeout Loan	Rental Bldgs A & B (First Yr Cashflow)	23,000,000	23,000,000						
Takeout Loan	Rental Building A			10,500,000	14,000,000				
Takeout Loan	Rental Building B							15,000,000	
Waitlist Sales	Building A, net closing expenses							17,500,000	
Waitlist Sales	Building B, net closing expenses			21,350,000	21,350,000				
Waitlist Sales	Building A & B, net closing expenses					38,700,000	38,700,000		38,500,000
	Parcel A Subtotal	39,100,000	37,100,000	38,300,000	35,350,000	38,700,000	38,700,000	38,400,000	38,500,000
Market Sales	Parcel D3, 18 Lots	20,400,000	20,400,000	20,400,000	20,400,000	20,400,000	20,400,000	22,700,000	22,700,000
Total Inflows		59,500,000	57,500,000	58,700,000	55,750,000	59,100,000	59,100,000	61,100,000	61,200,000
Net Inflow		17,685,009	15,685,009	16,885,009	13,935,009	17,285,009	17,285,009	16,900,000	17,000,000
Interim Financing Amount (RMOW + Construction Financing)		14,455,442	16,455,442	23,105,442	20,555,442	4,154,229	(1,845,771)	27,140,000	27,140,000