



Investment Proposal

To establish a Retirement Village In Latvia (RV.lv)

Organization Name:
Retirement Village Latvia (RV.lv)

Promoters:
Technical Partners International Inc.
Registration Nr 1845122 (Ontario)
"TP Riga" SIA
Registration Nr. 40103217350 (Latvia)

Contact:
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Additional Information:
www.technicalpartners.ca
www.tpriga.lv
www.pm-proformance.com

Date/Place Business Established:
April, 1992, Toronto, Canada
February, 1994, Riga, Latvia

Form of Business:
Aged care

Areas of expertise:
project management
risk & venture capital acquisition
development projects
construction related services

Additional information available:
an information memorandum
a concept ppt presentation
a proposal ppt presentation
a business plan / financials

Objectives:
Establish a retirement village for 800
residents and employment for 700.

Construction Project Pay-Back Period
3 years

Funding Requirement:
€3 million in equity and or
€9 million in unsecured loans

Use of funds
Capital Expenses
Working Capital

Equity IRR for construction project:
15 %

Investor IRR on equity base will depend on
funding structure agreed.

A comprehensive business plan and
financials available on request.

This Proposal is addressed to institutions involved in and/or investing in Aged Care facilities and projects. This project is in Latvia in the EU.

"Retirement Village Latvia" (RV.lv) is an aged care development project which, when complete, will accommodate 800 residents over the age of 55 years and provide employment for 900 people in a gated retirement community. The project was started in 2006 but suspended in 2008 because of the crisis. Conditions are now appropriate for implementation.

The concept originates from similar projects in Australia, but modified to suit Latvian conditions. Its financial success is based on a "multi function / multi payer" principle with a critical mass to sustain operations. Construction will include 3 senior citizens apartment buildings, a nursing home, a hotel, a medical centre/office building, private homes and a social centre including a community centre, stores, chapel, meeting rooms, etc. The territory will have parks, recreational facilities and parking.

Income will be derived from the sale of houses, condominium apartments and commercial space, and maintenance and user fees.

The Latvian Economy enjoys post crisis stable, robust growth as a member of the Eurozone and NATO.

The Opportunity

There are no such facilities in Northern Europe, and aged care, particularly for those requiring medical attention and care support, is in great demand in Latvia. This concept of accommodations for seniors only is unique to the Baltics. Such facilities simply have not been developed and with an aging population in Latvian and expatriate Latvians, there is a vacuum to be filled.

Low labour costs and economical medical services provide a financial advantage, and Latvian tax laws favour investment. There is also a possibility for EU financing. Nature and natural surroundings are a big asset.

The promoters have established a team of professionals with aged care, business and project management experience from Canada, the UK, Australia and Latvia.

The customer base will be built on the promoters' social network both in and outside of Latvia.

This sets the stage for a low-risk business in a growing market.

The Developers

Ed Kalvins, the owner of Technical Partners Int'l Inc. (Canada) / "TP Riga" SIA (Latvia) heads a development group from Canada, the UK and Australia which consists of aged care, health care, project, business management and project design specialists. Ed is based in Latvia with extensive project management experience from Canada, and 25 years experience in Latvia. His local team provides local know-how and familiarity with regulations and procedures.

The Requirement


€60,000 is required in the first three months for start-up costs and setting up issues related to the development of the project, and €1.1 million in the first year, which will include land acquisition, finalization of the development plan, concept designs and marketing. Total project costs are in the €70 million range, though the project can be completed in 10 phases with most costs financed from sales. A total of €3 million in equity and €9 million in loans is currently budgeted to initiate the project.

The Rewards

A 15% ROI is budgeted for equity invested, and 12% for loans for the construction project. On completion of the construction project, the Investor(s) will have the first right of refusal to the service and maintenance project of RV.lv

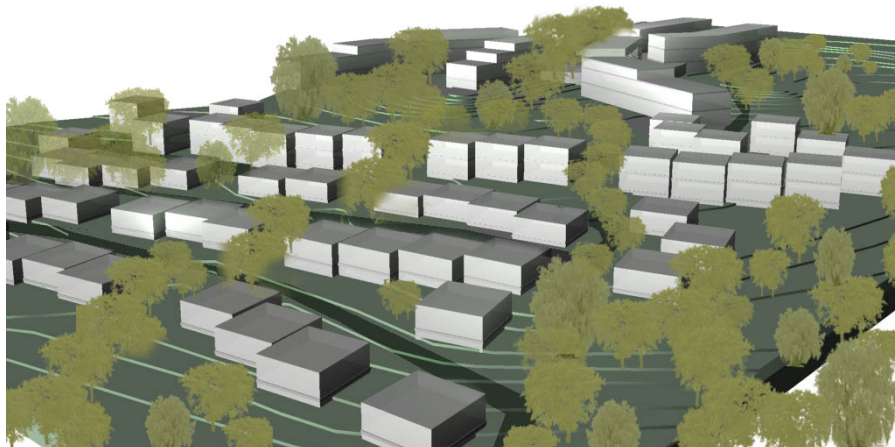
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1 FORWARD

This proposal refers to the development of a retirement village project in Latvia in the EU. It is addressed to institutions involved in and/or investing in Aged Care facilities and projects.

“**Retirement Village Latvia**” (RV.lv) is an aged care development project which, when complete, will accommodate 800 residents over the age of 55 years and provide employment for 900 people in a gated retirement community.

The concept originates from similar projects in Australia, but modified to suit Latvian conditions. Its financial success will be based on a “multi function / multi payer” principle with a critical mass to sustain operations.

The project is divided into two distinct parts:

1. construction project (addressed in this document)
2. service project (not addressed in this document and to be developed when the construction project has been agreed)

A one year development period has been anticipated which will include land acquisition, finalization of the development plan, addressing legal issues, concept designs and marketing. The construction project is expected to be completed and to pay for itself in 3 years, however, the timeframe may change based on sales demand. The service project will be the one that will be more economically interesting but will be developed later when the construction project has been defined.

Construction will include 3 senior citizens apartment buildings, a hotel, a medical centre/office building, a nursing home, private homes and a social centre including a community centre, stores, chapel, meeting rooms, etc. The territory will have parks, recreational facilities, and parking. See section 7 - Operations for details.

Income will be derived from the sale of houses, condominium apartments and commercial facilities to cover construction project costs. Maintenance and user fees are a separate issue, but may subsidize the construction project in the event of a short-fall in income.

The plan calls for flexibility should market conditions warrant changes in current thinking. For example, the nursing home could be changed to a senior’s apartment building. The project will be completed in ten (10) phases over three years. Construction will not start on any particular building until 75% occupancy is guaranteed or the sale of the building assured by signed sales agreements. There will be no major consequences if the timeframe is extended except for increased implementation costs.

The project is based on a “**multi user / multi payer**” concept which calls for each function, service or building be financed by several different clients or parties to decrease risk associated with uncertain payments or changing purchasing patterns. A critical mass which will ensure the project’s financial viability has been selected recognizing that small projects simply can’t pay for themselves.

The project was started in 2006 but suspended in 2008 because of the world financial crisis when it became clear that financing through normal channels would not be available. €270,000 has been invested on the business plan, concept design, detailed engineering, marketing and advertising. A client list of over 100 potential clients had been assembled when the project was suspended.



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Briefly about LATVIA:

Latvia regained its independence from the Soviet Union in 1991 and began the difficult process of converting from a planned to a free market economy. In the mid 90's, Latvia was experiencing the challenges of economic transition, including multiple banking crises, economic boycotts by Russia, unfamiliarity with western (particularly European) practices and politically-related development issues.

Latvia is now considered a western state that must abide by EU regulations, having joined the European Union and NATO in 2004. This provides a more stable and predictable foundation.

2009 saw a significant economic downturn because of the world economic crisis. In 2010, the government of Latvia initiated austerity programs as demanded by the International Monetary Fund (IMF). These measures have resulted in the stabilization of the Latvian economy and have led to growth since late 2011 – despite debt problems in the Eurozone. Latvia's credit rating continues to be upgraded along with comments about its positive outlook. This is also reflected in Standard & Poor's November 14th, 2012 rating adjustments, changing long and short-term local and foreign currency sovereign credit ratings on Latvia from BBB-/A-3 to BBB/A-2, and Latvia's transfer and convertibility (T&C) assessment from A- to A. As of March, 2014, the rating now stands at BBB+ and the (T&C) at AAA.

The now independent Latvia has also benefited from its history with established traditions in banking, manufacturing, education and development that provide the foundations for future growth and development.

Latvia adopted the € on January 1st, 2014.

Latvia has favourable company tax rates of 15%. There are no restrictions on the repatriation of profits or the transfer of funds from the country.

2 THE ORGANIZATION

Technical Partners International (henceforth referred to as “**TP**”) is the initiator or promoter of this project. TP is registered in Latvia under the name “**TP Riga**” **SIA** and in Ontario, Canada as **Technical Partners International Inc.**

TP serves as a project management group having assembled a team of professionals with aged care, business and project management experience from Canada, the UK, Australia and Latvia. This group has the capability of completing and running this project.

TP does not have the funding to resume the project and is seeking strategic partners and investors.

It is expected that a new company will be formed to continue the development of the project based on the requirements of these partners and/or investors.

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3 ECONOMIC FACTORS

The Latvian economy enjoys post crisis stable, robust growth as a member of the Eurozone and NATO, and has become the example of how to bring an economy under control.

There are no retirement villages in the Baltic States, and aged care, particularly for those requiring medical attention, is in great demand in Latvia. The concept of accommodations for seniors only is unique to the Baltics. Such facilities simply haven't been developed. There is a vacuum to be filled. Latvia has an aging population.

Low labour costs, economical medical services and relatively inexpensive land provide a decided financial advantage of operating in Latvia.

Latvian tax laws favour investment and allow Latvia to compete favourably with "off-shore" companies.

There is a possibility for EU financing, but the project will be based on private funding in the initial stages.

Local municipalities are enthusiastic about such projects because of their potential benefits to the local economy.

Latvia's nature and natural surroundings are a big asset which serve as a drawing card for service industries aimed at aged care.

4 TARGET MARKET

The client base is expected to be mainly ex-pat Latvians currently living in Canada, the US, Australia or the UK who have guaranteed incomes via pensions or accumulated wealth to support payments.

There has been a recent significant exodus of younger Latvians seeking jobs in Western European or North American countries. It is expected that their parents who live in Latvia could benefit from RV.lv in that these children could finance their parents' accommodation.

Well-to-do Latvians are also expected to be attracted to RV.lv and could be an important component of the clientele.

Because of the absence of such facilities in the immediate region, consideration could be given to attracting Estonians and Lithuanians to RV.lv.

Russians also feel at home in Latvia, and hence could also be considered as potential clients.

The customer base will be built on the promoters' social network both in and outside of Latvia as well as conventional advertising.

Our target market is at an age where they cannot wait five or ten years to see what happens. There is an immediate need. This adds a sense of urgency for completing the project soon.

The Medical Centre will attract medical professionals who wish to be close to clients with reasonable disposable incomes, but who also want to work out of reasonably priced medical facilities with parking spaces relatively close to the major population centers. The Medical Centre will also provide normally needed and close-by emergency services including family doctors, dentists, eye centre, etc. Without this facility, it would be difficult to attract foreign residents. It is expected that the Medical Centre will offer rehabilitation services and specialized operations. Medical professionals in this community would be encouraged to be involved in medical tourism, that is, offering medical services to foreigners.

The Hotel will serve a multi-functional purpose, these including facilities for visiting friends and relatives of residents and/or those who are recuperating from operations at the Medical Centre.

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5 THE COMPETITION

There are no private facilities in Latvia for pensioners and/or senior citizens in organized communities providing the services that RV.lv will provide.

There are some private nursing homes in Latvia, but these are expensive and not particularly good business propositions. Their small size demands a well-to-do clientele that can afford such services.

Most age care centers are owned and operated by the state or municipal authorities and are part of the social services ministry (federally) or departments (municipally). These are usually for chronic care patients needing supervision and attention. The quality of care is “questionable” and they are sometimes referred to as “poor houses”. As a result, there is an acute need for affordable private retirement community services.

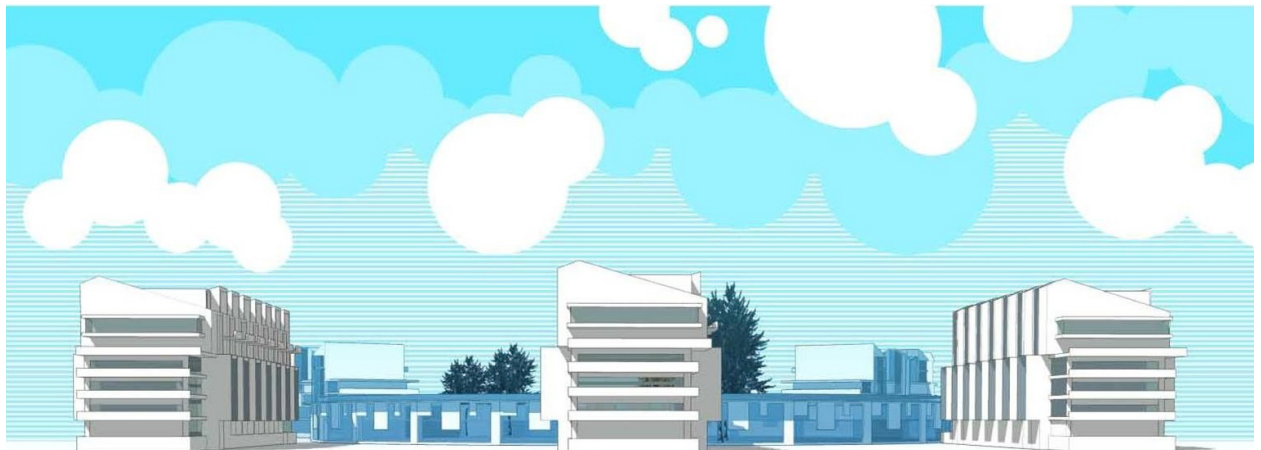
There is no competition in Latvia, and in fact, the concept could be expanded throughout the Baltics.

6 MARKETING AND SALES STRATEGY

The RV.lv's marketing strategy is to aggressively enhance, promote and support the significant benefits of living and working in RV.lv through the media used by this age group. Western press publications such as “Latvija Amerikā” and “Laiks”, specialized medical journals, direct mailings, regular information updates in the Technical Partner's website, electronic advertisement banners in other websites frequented by local and Western Latvians, such as www.draugiem.lv and latviansonline.com and participation in trade shows and social events such as the Latvian Song Festivals both in Latvia and abroad will be used.

RV.lv will also develop strategic partnerships with Ex-Pat Latvian organizations and other business organizations and operators, since these are already known to the promoters.

When the project was suspended, discussions were underway with clients for the sale of 31 houses, 73 apartments and 6 places in the nursing home. A reservation agreement for 1,000 m² had been signed for the medical centre. What is more interesting – the sales program really hadn't started yet.



7 OPERATIONS

The location of the project is not site specific, and may be located anywhere that meets the requirements of the project.

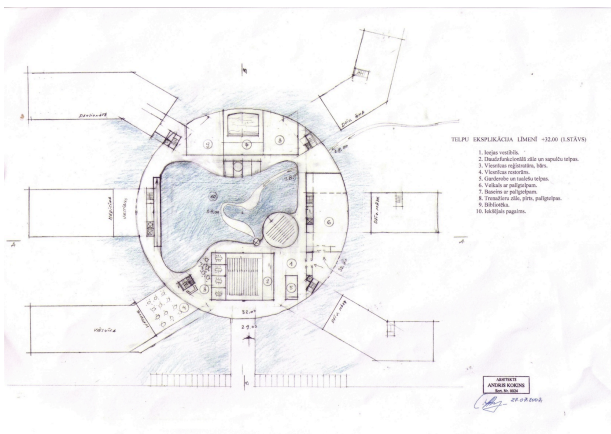
The developers have identified several possible sites and municipalities which are currently under consideration including Mālpils and Cēsis.

The town of Malpils has been selected because of its existing infrastructure and location close to Riga. Malpils existing infrastructure (stores, sports hall, cultural centre) will be available to residents of RV.lv in the early stages of the construction project.

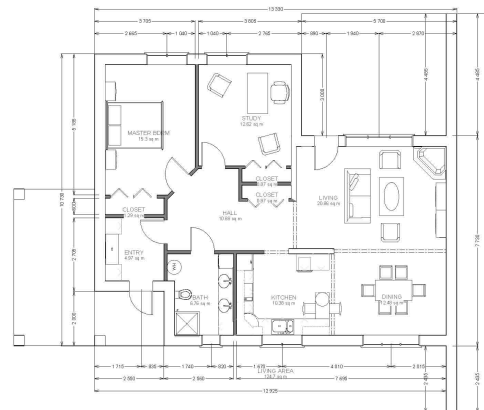
- The town of Malpils already has an established infrastructure and facilities, and a population that could be involved in servicing RV.lv.
- There is municipal and federal support.
- Cheaper heat could be available from the local heat supply authority in conjunction with an energy from waste facility planned nearby.
- Available work force to support the facility

The construction project has been divided into ten phases in order to decrease risk and capital requirements. The implementation schedule will depend on how sales materialize. Construction will only be initiated when there are agreements to sell guaranteeing 75% occupancy.

- 1) Phase 1: Land purchase and development plan (underway)
- 2) Phase 2: Provision of model homes (if required)
- 3) Phase 3: Concept Design and Technical Project (partially complete)
- 4) Phase 4: Main community utilities and infrastructure / 14 houses / 1 apartment building / supporting infrastructure
- 5) Phase 5: Hotel / Office building (in the beginning housing medical professionals)
- 6) Phase 6: 1 apartment building, 19 houses, supporting infrastructure
- 7) Phase 7: Commercial and recreation centre
- 8) Phase 8: 1 Medical Centre
- 9) Phase 9: 28 houses, 1 apartment building, grounds work,
- 10) Phase 10: 1 Nursing Home



Social Centre / Shops



Sample Apartment

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Construction Program

	Description	Living area m ²	Other area m ² .	Land area m ²	#
Single family houses (1 level)	Model IM 1 Totals	97.5	40.6	350	24
	Model IM 2 Totals	129.36	19.6	350	21
	Model IM 3 Totals	0	0	0	0
	Model IM 4 Totals	179.7	22.1	350	16

Note: Model 3 currently not offered.

	Apartment	Living area m ²	Shared area m ² .	Land area m ² .	#
Senior's Condominiums (6 floors x 3 building)	model A (20%)	35.0	5.3	116.7	123
	model B (50%)	55.0	8.3	183.3	153
	model C (20%)	75.0	11.3	250.0	41
	model D (10%)	100.0	15.0	333.3	15

	Apartment	Area m ² .	Shared area m ² .	Land area m ² .	#
Nursing Home Facility (5,400 m²)	Model A	24.0	21.6	80.0	42
	Model B d	44.0	39.6	146.7	42
	Ward				
Medical Centre (6 floors)		6000.0		20000.0	1
Hotel (3 floors)		6000.0		20000.0	1
Shared facilities (leased)		3004.0	1418.0		
	4422.0				
	Retail space	600.0	300.0	2000.0	1
	Swimming pool	570.0	285.0	1900.0	1
	Exercise room	150.0	75.0	500.0	1
	Hairstyling salon	100.0	50.0	333.3	1
	Florist	100.0	50.0	333.3	1
	Kitchen	100.0	50.0	333.3	1
	Dining hall	100.0	50.0	333.3	1
	Cafe	100.0	50.0	333.3	1
	Restaurant	100.0	50.0	333.3	1
	Laundry	100.0	50.0	333.3	1
	Auditorium	414.0	207.0	1380.0	1
	Meeting room	30.0	15.0	100.0	1
	Meeting room	30.0	15.0	100.0	1
	Meeting room	30.0	15.0	100.0	1
	Meeting room	30.0	15.0	100.0	1
	Conference room	50.0	25.0	166.7	1
	Library	100.0	50.0	333.3	1
	Chapel	240.0	36.0	800.0	1
	Boiler Room	60.0	30.0	200.0	1
	Underground parking	194			
	Above ground parking	380			
	Storage facilities	40			
Park developments	Park Bar / Cafe	100.0	15.0	333.3	1

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8 PROJECT MANAGEMENT – KEY PERSONNEL

The ability to sell the residences and technical competence are two major factors which will determine the success of this project.

RV.lv has two major strengths:

- The RV.lv promoters have significant social contacts and networks both in Latvia and overseas in the areas where RV.lv's major clients live. More important, each person adds to the credibility of the RV.lv as a whole because of his or her social standing and reputation for integrity in his respective region. Trust and honesty are two important elements for the marketing and sales effort in convincing clients to buy.
- The RV.lv promoters have either the required technical knowledge themselves to manage the project and/or are well connected to those who can assist.

Ed Kalvins is an owner of Technical Partners International Inc. and "TP Riga" SIA, and is a Latvian-Canadian living in Latvia. As the Total Project Manager for the RV.lv project, he contributes in two ways:

- As owner of Technical Partners, he is an engineering graduate of the University of Toronto and has over 35 years experience in Project Management experience in Canada and Latvia having developed the PM-PROformance™ System, a hands-on project management system suitable for such projects.
- As a member or former participant of various organizations (founder and chairman of the Canada-Latvia Business Association, board member of the Latvian-Canadian Cultural Centre in Canada, board member of the Latvian National Federation in Latvia, Chairman of the Latvia Song Festival Association in Canada, 26 year leader the Latvian folk dancing group Daugavina in Toronto, member of Daugavas Vanagi and a Latvian fraternity), he is well known in the North American Latvian community and very well networked.

Expected main contributions: - attract clients living in North America and Europe, overall project management, political contacts.

Una Brūna, the Managing Director of the Latvian American Eye Centre and owner of Baltic Medical Destinations which provides medical tourism services to Latvia is a medical services professional with over 25 years of experience in this sector in Latvia. Una will be charged with developing the medical services at RV.lv as well as supporting other administrative functions.

Jolanta Linde is a Latvian/Canadian living in Canada and is an aged care professional whose experience included being the Technical Director of Kristus Darzs, the Latvian nursing in Toronto, Canada. Jolanta graduated with a BA from St. Petersburg University of Culture, Russia and acquired a Certificate as Administrator of Long Term Care Certificate from OANHSS (Ontario Association for Non-profit Homes and Services for Seniors), Post graduate diploma in Gerontology and Activation Techniques in Gerontology Certificate from Humber College, Canada. She has extensive experience in long term care. Jolanta has also been active in the Latvian theatre in Canada and Daugavas Vanagi. Expected main contributions: - an intimate knowledge the administrative and regulatory aspects of age care, attract clients living in North America and Latvia, participate in the management of the facility.

Didzis Rūītis is a graduate of the BA School of Business and Finance, and is an executive with comprehensive hands-on experience in project management, sales and business development, marketing research and branding, crisis management and small team management, daily work with C-level executives and board members. Expected main contribution: develop the business base upon which RV.lv will operate, and participate in its management.

Jānis Lūsis is a strong supporter of the RV.lv Project. He is a Latvian/Canadian living in Canada who himself is a graduate engineer from the University of Toronto, but has spent most of his career in the Latvian diplomatic corps, having worked in the Legation in Washington prior to reestablishment of Latvian independence, then as Latvian Ambassador to the US, Canada, the UK and Italy and lastly as the Latvian Special Assignments Ambassador residing in Canada. Jānis is the son of the late Archbishop Arnolds Lūsis who headed the Latvian church in exile for numerous decades. Expected main contribution: - attract clients living in North America and Europe. Provide support in government and diplomatic circles.

Arnis Markitants is a Latvian/Canadian living in Canada and has been active on the Board of Directors of the Canadian Latvian Cultural Centre having served several terms as its president. Arnis is a progressive, diplomatic professional with proven analytical and problem solving skills; excellent written and oral communications; knowledge of systems, platforms and processes with 26 years of financial management experience in the banking sector. Expected main contribution: develop the business base upon which RV.lv will operate, and participate in

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its management, attract clients living in North America.

John Birchmore, the owner of SHREW's Ltd. of the UK, is an environmental projects specialist with extensive experience commissioning start-up projects in the Baltics and Russia as well as the UK and acts as an advisor to UNDP and EBRD on development. His team provides the necessary technical expertise for environmental projects. Because of John's extensive business development work in Latvia, he is well connected to the Latvian business community in the UK. Expected main contribution: Project development and environmental projects including CHP (combined heat and power) generation.

Robin De Morgan is an independent investment banking professional and Chartered Accountant from the United Kingdom, with experience of property and infrastructure developments, both in the UK and internationally. He is the former CFO of the Hongkong Land Group and has worked closely with two separate merchant banking organisations on business development strategies and raising related funding. He has been closely involved in the development of energy from waste in several territories, including Latvia and the Baltics, and is a trade development advisor for the Middle East Association having most recently lead a trade mission to Kurdistan and Iraq. Expected main contribution: assisting with project financing and attracting support in the UK.

Kārlis Kambala is a Latvian/Australian living in Australia, a civil with experience as a project manager for a private property development company involved in designing & constructing award winning Aged Care Facilities, Medical Centers, Industrial Parks, Bulky Goods Centers & Self Storage Facilities throughout Australia. Expected main contribution: - consultation on design and construction management issues, attract clients living in Australia.

Roberts Dambergis - Senior Architect. M.Arch. - Architect (Dalhousie University, Canada) A Latvian-Canadian with over 30 years experience in the architectural design and project management of hospitals and medical facilities. Socially active in Canada. Expected main contribution: facility design, attract clients living in North America.

Inese Mičule is an independent consultant who has experience at the director level responsible for finance, sales or marketing in major consumer goods manufacturing companies such as Aldaris and Laima. She is a specialist in financial management including establishing and managing Accounting, Expense Management, Credit and IT but also qualifies as a sales and marketing specialist. Inese had previously advanced a similar project to RV.lv in the Cēsis region which also fell victim to the economic and financial crisis. Inese will be concentrating on financial management of the RV.lv project and contributing to the sales and marketing effort.

Aivars Rupainis is a real estate professional involved in the sale and maintenance of housing. His experience with ever-changing local market conditions will allow RV.lv sell and lease property at optimal prices, and ensure that maintenance contracts are competitive.

Pēteris Kurms is an entrepreneur and businessman from Malpils who runs a construction company by the name of SIA „OTIC” and has been a member of Malpils municipal council. As such, he will be responsible for coordinating all local activities related to RV.lv property management and construction.

Architect - SIA „NAMS” (http://www.nams.arch.lv/lv_bez.html) - Serge Nikiforovs is the main project architect with responsibility for all technical design considerations and approvals. He is a Professional Architect and owner of the Architects Office Nams. He has been selected to be the Chief Architect for the RV.lv and to provide architectural design, territorial planning and project management expertise. NAMS will be working with other technical designers in Latvia who will work in a sub-contractor role.

Valters Kronbergs – Lawyer (Kronbergs & Čukste). LLB (Queen's University, Canada), BA Hons. (University of Toronto, Canada). Member of the Ontario and Latvian bar, who has been practicing law in Latvia since 1993. Specialist in Latvian real estate, construction, energy and utilities, transportation and corporate commercial law.

The complete personnel organization charts are available in the main body of the MF.



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9 DEVELOPMENT AND EXIT PLANS

RV.lv's long term goal is to be perceived as the primary provider of quality aged care services in the Baltics. There is no exit plan.

On completion of the construction project, the Investor(s) will have the first right of refusal to the service and maintenance project of RV.lv

After the establishment of RV.lv, it is expected to expand the concept by building satellite communities in other towns in Latvia. Expansion into other countries is a distinct possibility, starting with Estonia and Lithuania.

Exit plans for strategic partners and/or investors will be tailored to their particular requirements.

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10 FINANCES

Total project costs are in the €70 million range, though the project is completed in 10 phases with most costs financed from sales.

One year is expected for development, which will include land acquisition, finalization of the development plan, concept designs and marketing. Three years are expected for the construction project, though this will depend on how sales progress, since the construction program will be driven by sales.

A total of €3 million in equity and €9 million in loans is required to facilitate the start of the project with the future build out financed through roll over of funds and revenues from the provision of the sale of apartments, houses and other facilities.

At the start facilities will be sold to either individuals or operators. However, considerations will be given to leasing programs if the financing is available.

Income statement:

	Projections (1,000 €)					
	Total	Development	Year 1	Year 2	Year 3	Year 4
INCOME						
Gross Sales	€ 71,842,866	€ 0	€ 3,606,091	€ 18,213,220	€ 50,023,555	€ 0
Less Returns	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Net Sales	€ 71,842,866	€ 0	€ 3,606,091	€ 18,213,220	€ 50,023,555	€ 0
Cost of Sales	€ 55,436,157	€ 1,407,251	€ 6,614,278	€ 18,076,235	€ 29,338,393	€ 0
VAT Recovered / Paid	€ 8,814,833	-€ 175,111	€ 665,220	€ 1,640,218	€ 6,684,506	€ 0
GROSS PROFIT	€ 7,591,875	-€ 1,232,140	-€ 3,673,407	-€ 1,503,233	€ 14,000,656	€ 0
OPERATING EXPENSES						
Sales expenses						
Commissions	€ 1,436,772	€ 0	€ 72,036	€ 364,264	€ 1,000,471	€ 0
Marketing	€ 948,155	€ 81,748	€ 54,443	€ 492,468	€ 319,496	€ 0
Total Sales Expenses	€ 2,384,927	€ 81,748	€ 126,480	€ 856,732	€ 1,319,967	€ 0
General and Administrative Expenses						
Insurance	€ 72,067	€ 0	€ 0	€ 30,886	€ 41,181	€ 0
Legal fees	€ 195,829	€ 27,976	€ 20,142	€ 80,569	€ 67,141	€ 0
Other						
Total G & A Expenses	€ 267,896	€ 27,976	€ 20,142	€ 111,455	€ 108,322	€ 0
Financing Expenses						
Interest - equity/Investors	€ 1,784,062	€ 132,581	€ 396,854	€ 640,661	€ 613,966	€ 0
Interest - bank	€ 1,518,366	€ 0	€ 7,118	€ 488,326	€ 1,022,921	€ 0
Total Financing Expenses	€ 3,302,427	€ 132,581	€ 403,972	€ 1,128,986	€ 1,636,888	€ 0
TOTAL OPERATING EXPENSES	€ 5,955,250	€ 242,305	€ 550,594	€ 2,097,174	€ 3,065,177	€ 0
Net Income before Taxes	€ 1,636,625	-€ 1,474,445	-€ 4,224,001	-€ 3,600,407	€ 10,935,479	€ 0
Taxes Paid	€ 245,494	€ 0	€ 0	€ 0	€ 245,494	€ 0
NET INCOME AFTER TAXES (NET PROFIT)	€ 1,391,132	-€ 1,474,445	-€ 4,224,001	-€ 3,600,407	€ 10,689,985	€ 0

Note that VAT is recovered during operations.

A 15% ROI is budgeted for equity invested, and 12% for loans for the construction project.

Estimates for maintenance and user fee income are not available since the construction project must be agreed first.

EU funding may be available for some aspects of the project (e.g. medical facilities, aged care services, utilities). However, these are not considered at this stage and should be viewed as a bonus.

Investment Proposal

To establish a Retirement Village In Latvia (RV.lv)

Start-up Requirement

The optimum requirement is for €60,000 in equity in the first three months of the project for start-up costs and setting up issues related to planning the development of the project, and €1.1 million on the first year, which will include land acquisition, finalization of the development plan, concept designs and marketing.

	D-Q1	D-Q2	D-Q3	D-Q4	Development
Start-up Costs:	(€)	(€)	(€)	(€)	Year
Land and real estate ownership	0	355,923	0	0	355,923
Development and financial plan	43,828	90,454	69,939	69,939	274,160
Concept Design and Technical Project	0	278,677	498,492	0	777,169
Marketing	0	0	18,088	63,660	81,748
Legal	13,988	13,988	0	0	27,976
Total Equity / Loans / Interest Repayment	4,449	18,686	47,160	62,286	132,581
Total	58,706	383,119	586,519	133,599	1,161,942

Foundations for the project are already in place based on the original business plan. Hence there is the possibility of a rapid start-up.

Financial data is presented in the local Latvian currency, the Euro. Approximate exchange rates on Wednesday, 26 March, 2014 are:

- 1.00 EUR = \$1.5377 CAD
- 1.00 EUR = \$1.3784 US
- 1.00 EUR = £0.8324 GBP

Service Project (not addressed in this document)

After the first project (RV.lv Construction Project) are other projects and /or profit centers associated with RV.lv which are sources of additional income.

- 1) RV.lv Construction Project
- 2) Aged Care Services
- 3) Maintenance and Up-Keep Services
- 4) Nursing home – Sale or Operation
- 5) Medical Centre – Sale or Operation
- 6) Hotel – Sale or Operation
- 7) Commercial Space – Sale
- 8) Commercial Space – Rentals
- 9) Housing – Rentals / Leasing
- 10) Convention and Recreation Facility Rentals
- 11) Project Management of similar projects

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