

July 13, 2018

Investor Report for Q2 2018

Dear Chancery Surprise Behavioral Hospital Investor:

We hope that you have been enjoying the summer weather so far. Steve Suske, Chair of the Board of Chancery Seniors Housing Investments Inc. was recently in Arizona to tour our investments, including the behavioral hospital project under construction in Surprise, Arizona, U.S.A.

We are happy to report that the construction is proceeding very well and we have made significant progress since our last report in March 2018:

1. Site services are all in place and the foundation / substructure is finished.
2. The mechanical systems including electrical, plumbing and fire sprinkler are close to complete and the interior drywall installation has begun in some areas.
3. The insulation board is being applied to the exterior walls.
4. We have hired our Executive Director, Richard W Coté, Ph. D, a seasoned veteran with 18 years of experience in the behavioral health sector. His profound knowledge of the industry will ensure the success of our behavioral hospital! Please see the Appendix for Dr. Coté's full biography.

We also anticipate that our Marketing Director will be hired by September 2018 and hope to disclose her amazing qualifications in our next quarterly report!

5. Last but not least, the senior lender is satisfied with the progress to date of our project and has released the first construction financing draw!

Please see below for the most recent pictures taken at the site.



Construction is approximately 40% complete and we expect to be able to accept our first patient by Q4 of 2018 as scheduled. We will continue to issue quarterly disclosure with updates on financing, construction, stabilization and operations as the project proceeds.

In the interim, please feel free to contact me (sarah@chanceryseniors.com) or our President, Jessica Zhang (jessica@chanceryseniors.com), directly with any questions.

Again, thank you for your investment in this project!

Sincerely,

Chancery Seniors Housing Investments Inc.



Sarah Cathrae
Managing Director

Appendix

Richard W Coté, Ph. D.
Executive Director

Dr Coté is a talented and highly organized management executive with 40+ years of experience in various industries, most recently in behavioral healthcare. He has a demonstrated record of leadership with proven success in building and managing relationships with peers, co-workers, clients, and the general public. He is a creative and highly motivated self-starter with strong initiative and work ethic. He graduated from the US Air Force Academy with a BS degree in Aeronautical Engineering and spent the next 22 years in the US Air Force. During that time, he completed a Masters and Ph. D. in the area of exercise physiology. Upon his retirement, he became the Dean of Academic and Student Affairs for Johnson & Wales University in Charleston, SC. He followed that with a stint in healthcare as the Director of Industrial Rehabilitation for HealthSouth (now Encompass Health) in St Louis. Dr Coté has spent the last 18 years in behavioral health. He has held various positions ranging from Director of Quality to VP of Operations. For 7 years he worked for a management/consulting company overseeing acute adult and geriatric behavioral health units in hospitals. Most recently, he was the Assistant Commissioner for Substance Abuse Services for the State of Tennessee.

