

January 15, 2018

Investor Report for Q4 2017

Dear Chancery Surprise Behavioral Hospital Investor:

Happy New Year!

Thank you for your investment in the Surprise Behavioral Hospital project, which will be developing and operating a 32-bed geriatric behavioral hospital at 16561 North Parkview Place, Surprise, Arizona, U.S.A.

A significant amount of progress has been made since our last update in late November, 2017 and we are happy to report to you the progress we've made:

1. Construction financing is in place and ready for our first draw;
2. The construction site has been set up;
3. Mobilization commenced on December 27, 2017;
4. The construction fence was installed;
5. Mass grading is in progress and expected to be completed by mid January;
6. Please see below for the most recent pictures taken on the site, note the red soil and the trenches being dug for servicing.



We expect to complete construction by Q4 of 2018. We will continue to issue quarterly disclosure with updates on financing, construction, lease-up 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, Chancery wishes you all the best in 2018!

Sincerely,

Chancery Seniors Housing Investments Inc.



Sarah Cathrae
Managing Director