

◆ Woodcroft Place, a 6-building, 1,222-suite residential community on the picturesque Capilano River in North Vancouver. This combination rental and condominium development was completed in 1977.

● Langara Estates, in Vancouver, townhouses and apartment condominiums. Phase II nearing completion.





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 ○ Valley Fair, a shopping centre in Haney, near Vancouver. Major expansion and renovation completed in 1978.

Ontario

Following the acquisition of two office towers in downtown Toronto, the company has broadened its activities in Ontario by purchasing a one-half interest in an expanding shopping centre in North Bay.



Two office towers in downtown Toronto, 180 Dundas Street West (27 storeys) and the Professional Building (17 storeys).

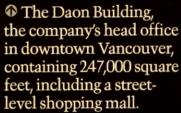
British Columbia

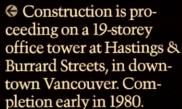
The residential market in British Columbia is showing definite signs of improvement, with the excess supply of recent years gradually diminishing. Similarly, the oversupply of office space in downtown Vancouver should be gradually

absorbed through 1979, coinciding with construction of the company's new office tower at Burrard and Hastings, scheduled for completion early in 1980.

















• Waneta Plaza, an enclosed shopping mall at Trail in southeastern British Columbia, was opened in October, 1978. 193,000 square feet.

© Coquitlam Centre, a join one of Canada's largest sho nearing completion at Coquits miles east of Vancouver. 745,000 square feet.







© Construction will begin in 1979 on Plaza 500 (below) a 24-storey office tower in downtown Calgary. The Daon Building, the company's Alberta headquarters, is immediately to the right of the Plaza 500 site (outlined).

- ◆ Latest of 15 warehouse/ office buildings constructed at Norwester Industrial in northwest Edmonton. One more is under way.
- ⇒ Hays Farm, a garden apartment community in Calgary. Expansion completed in 1977 increased total suites to 484.
- Seventh Street Plaza in downtown Edmonton, 329,000 square feet in twin towers. Completed in 1977.





Alberta

The strength of the Alberta economy continues to provide excellent opportunities for Daon in both commercial and residential development. The company continues to respond aggressively to the demand for office, warehouse and retail space in Calgary and Edmonton, and to the almost insatiable demand for serviced residential lots.



♠ No single residential project in Calgary can compare in scope with The Properties, located in that city's northeast corner. The spectacular "fish-eye" lens photograph gives new perspective to the immense project. When this six-year development is completed in 1979, it will have provided 5,100 serviced lots and 125 acres of multi-family land, for a total of 7,400 residential units. Included in the development was Village Square, a shopping centre of 121,000 sq. ft., as well as several small convenience centres. From

virtually every standpoint. The Properties may be considered the most successful and fulfilling project that Daon has undertaken to date.



Five Year Financial Highlights

	1978	1977	1976	1975	1974
Total Revenue (in \$000)	347,702	155,743	123,176	102,939	64,631
Net Income (in \$000)	16,720	10,551	7,772	6,694	3,096
Earnings per Common Share (in S)	1.80	1.11*	0.78*	0.66*	0.30*
Cash Flow (in \$000)	35,814	23,855	15,259	13,755	7,101
Cash Flow per Common Share (in S)	3.91	2.58*	1.58*	1.40*	0.76*
Total Assets (in \$000)	653,622	464,306	278,161	216,677	189,348
Shareholders' Equity (in \$000)	72,384	34,321	25,589	19,319	12,984

^{*}Restated to reflect two-for-one share split effective February 10, 1978.



The year 1978 was an excellent one for Daon, with continued growth in earnings, cash flow, income properties and total assets. The company also achieved a stronger capital base, improved liquidity, and solid expansion and earnings performance from U.S. operations.

The company is now firmly established along the West Coast of the United States with a strong U.S. management team which has proved its ability to compete in that extremely active market. Seventy-four percent of net earnings were from operations south of the border.

Total revenue increased by 123%, earnings per share by 62%, cash flow per share by 52% and assets by 41% from 1977. Shareholders' equity, through retention of earnings and an increase in paid-up capital, more than doubled to \$72 million.

Here are the highlights:

	1978	1977
Total revenue (\$000)	347,702	155,743
Net income (\$000)	16,720	10,551
Earnings per share (\$)	1.80	1.11
Cash flow (\$000)	35,814	23,855
Cash flow per share (\$)	3.91	2.58
Total assets (\$000)	653,622	464,306
Shareholders' equity (\$000)	72,384	34,321

Market Value of Assets

We continue to stress the importance of market value of assets rather than book value when determining the company's worth or measuring the investment and operating performance of management.

As in previous years, an independent valuation by qualified real estate appraisers of all Daon's interests in real estate was completed as of October 31, 1978. This appraisal placed a market value on Daon's total real estate holdings that exceeds book value by \$222 million.

Based on these appraisals and allowing for income taxes at 50% on the excess, the net market value of Daon's assets as of October 31, 1978, was approximately \$17.50 per common share. This is a 70% increase over the prior year's value.

Business Strategy

The company continues to concentrate and balance its resources on three complementary lines of business, namely land for development—a source of cash; condominium homes for sale—a source of cash; and income properties for investment—a place to invest our cash and provide shelter from current income taxes. We pursue these activities in the provinces of Alberta, British Columbia, Manitoba and Ontario and in the states of Washington, Oregon, California, New Mexico and Texas, with offices in Edmonton, Calgary, Vancouver, Seattle, Portland, San Francisco, Newport Beach and Dallas.

Income Property Portfolio

The company's investment in income producing properties continues to grow and diversify. This is achieved by both development and acquisition. During the fiscal year, substantial completion was achieved on three office buildings in California and one in Alberta, with over 90% of the space leased ahead of completion. Six community shopping centres were developed and leased—one each in California and Manitoba; two each in Alberta and British Columbia. Only the Manitoba centre is incomplete and this is because of a strike in the construction industry.

Shopping centre development has become a significant component of our Canadian operations and we believe we are now the most active shopping centre developer in the nation. In 1979, a joint venture regional centre will be completed in British Columbia and another will be under construction in North Bay, Ontario. Two other joint venture regional centres will also be developed, one in Calgary and one in Edmonton, for completion in 1981. We now have under development more regional shopping centres than any other real estate company in the country.

The year 1979 will also see development progress on at least one community shopping centre in Alberta and another in California, downtown office buildings in Calgary, Vancouver, Seattle and San Francisco and three suburban office complexes in the San Francisco

Bay area.

Two industrial parks in Edmonton and a joint venture park in Calgary continue to capture a good share of the market for light industrial buildings in the strong Alberta economy.

Financial Resources

The trend toward higher interest rates and tighter credit was predictable a year ago and the company intentionally managed its assets and financial resources during 1978 in preparation for the monetary environment that now exists.

During the year, the company raised \$30 million through the public issue of long-term debentures and \$25 million from an issue of preferred shares. We also developed substantial U.S. banking relationships to finance our growing activities south of the border, augmented by strong support from the Canadian banks with non-Canadian funds.

We moved into fiscal 1979 in a very liquid position, with close to \$40 million in cash and term deposits and \$45 million of committed

but unutilized bank operating lines of credit. We expect to partially employ this cash and credit over the next year in responding to what will undoubtedly be some outstanding investment opportunities, several of which have already been identified.

Corporate Growth and Expansion

It has long been our philosophy that the key to managing growth is to divide the business activities into smaller "manageable" components with very clear individual accountability. With this philosophy very much in focus, a management reorganization was implemented in August, 1978.

The company established five operating groups consisting of three regional and two functional divisions. Daon Midwest, head-quartered in Calgary, Alberta, is responsible for development activities east of the Rocky Mountains and north of the U.S. sunbelt.

Daon Pacific, headquartered in Vancouver, British Columbia, handles development activities in British Columbia, Washington and Oregon.

Daon Southwest, headquartered in Newport Beach, California, looks after development activities in the sunbelt states, with particular emphasis on California and Texas.

Daon Shopping Centres, headquartered in Vancouver, undertakes all Canadian shopping centre development from coast to coast. The nature of the shopping centre business in Canada, dominated as it is by a relatively small number of national retailers, does not lend itself to a regional approach; a centralized functional group enables us to respond faster and more consistently to the needs of the retailers across the country.

Daon Management, headquartered in Vancouver, manages the company's portfolio of

completed income producing properties in both Canada and the United States.

These operating divisions are in turn supported by three corporate functional groups—finance, accounting and administration.

This is a very flexible management structure which lends itself to further subdivision of accountabilities as future growth may dictate. It allows an optimum amount of freedom to act at the local and regional level which is so essential in the real estate business. We are able to objectively measure individual performance and achievement while continuing to attract and retain the "results oriented" type of manager who has made this company what it is today.

Dividends

The company's continuing policy is to pay out a minimum of 10% of prior year's net earnings in the form of common share dividends. In accordance with this policy, quarterly dividends of 2½¢, 3¢, 3¢ and 3¢ were paid in 1978. On December 14, 1978, the Board of Directors approved an increase in the quarterly dividend to 4¢ per share payable January 25 to all common shareholders of record at January 10, 1979.

Share Purchase Program

The company has an ongoing policy to utilize approximately 10% of prior year's net earnings for the purchase of Daon common shares on the open market. These purchases take place only during those periods between the release of a quarterly or annual report and the end of the quarter in which the report is released. During the past year, 119,300 shares were purchased at an average cost of \$9.91 per share.

Stock Splits

On February 10, 1978, the company's common shares were subdivided two-for-one. The Directors have recommended a further twofor-one split to be effective February 23, 1979, subject to shareholder approval at the 1979 Annual General Meeting. These and previous stock splits give recognition to the increased market value of the stock and reflect the company's wish to increase the number of shares available for trading while maintaining the price per share in a range that permits small investors to acquire board lots at a reasonable cost. By increasing the number of shares outstanding, the liquidity of the company's stock has continued to improve, which is an attraction to the small investor and institutional investor alike.

Outlook for 1979

Continuing trends to higher interest rates and tightening of credit will have a negative impact on real estate demand. A reduction of housing starts in North America in the range of 10% to 15% below 1978 levels seems likely. A minor recession will no doubt occur as governments battle inflation with monetary policy. On the other hand, population and new employment continue to grow at record rates in the stronger regions of the North American continent where Daon has chosen to operate. The company is very well positioned to compete in the economic climate that is now emerging. We are confident that 1979 will be an excellent year for Daon.

On Behalf of the Board, J. W. Poole, President and Chief Executive Officer. December 14, 1978.

Financial Statements

AUDITORS' REPORT

To the Shareholders, Daon Development Corporation:

We have examined the consolidated balance sheet of DAON DEVELOPMENT CORPORATION (a British Columbia company) and subsidiaries as of October 31, 1978 and 1977, and the related consolidated statements of income, retained earnings, cash flow from operations and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Daon Development Corporation and subsidiaries as of October 31, 1978 and 1977, and the results of their operations and changes in their financial position for the years then ended in accordance with generally accepted accounting principles consistently applied during the periods.

ARTHUR ANDERSEN & CO. Chartered Accountants

Vancouver, B.C. December 11, 1978.



Consolidated Statement of Income

for the year ended October 31, 1978	Note Reference	1978 (in thousan	1977 ds of dollars)
REVENUE			
Real estate sales		\$308,172	\$131,453
Rental		31,888	20,873
Other	16	7,642	3,417
Total revenue		347,702	155,743
EXPENSES			
Cost of real estate sales		260,744	104,980
Rental operating costs		16,986	10,380
Interest	17	22,921	12,367
General and administrative		8,151	4,855
Depreciation and amortization		2,094	1,058
Other		1,748	545
Total expenses		312,644	134,185
INCOME BEFORE INCOME TAXES		35,058	21,558
Income taxes		18,338	11,007
NETINCOME		\$ 16,720	\$ 10,551
EARNINGS PER COMMON SHARE	21	\$1.80	\$1.11

Consolidated Statement of Retained Earnings

for the year ended October 31, 1978	1978	1977
	(in thousa	ands of dollars)
Retained earnings, beginning of year	\$ 30,967	\$ 21,485
Net income	16,720	10,551
	47,687	32,036
Dividends—Common Shares	1,038	588
−75¢ Class A Shares	478	481
Share issue expenses	1,031	
	2,547	1,069
RETAINED EARNINGS, END OF YEAR	\$ 45,140	\$ 30,967

Daon Development Corporation

Consolidated Balance Sheet

October 31, 1978	Note Reference	1978 (in thousand	1977 ds of dollars)
ASSETS			
Properties:		6220 785	C105 400
Income producing	2 3	\$220,785 201,840	\$185,428 138,735
Under development	3 4	60,874	60,863
Held for future development	According to the second second	39,939	6,051
Cash and term deposits	5	108,190	56,701
Amounts receivable	6	13,946	12,527
Investments	7	8,048	4,001
Other assets		\$653,622	\$464,306
		<u> 3033,022</u>	<u>3404,300</u>
LIABILITIES			
Debt on properties:	8		
Income producing		\$170,234	\$152,008
Under development		127,858	98,133
Held for future development		38,220	43,065
Debentures payable	9	71,686	42,099
Other secured liabilities	10	61,549	31,362
Accounts payable and accruals	11	60,620	29,094
Deferred income taxes	12	51,071	34,224
		581,238	429,985
SHAREHOLDERS' EQUITY			
Capital stock	13	30,144	5,072
Retained earnings		45,140	30,967
		75,284	36,039
Shares held by subsidiary	14	2,900	1,718
	PRINCIPLE TO SERVICE STATE OF THE SERVICE STATE OF	72,384	The state of the s
			34,321
		\$653,622	\$464,306

Approved by the Directors:
WILLIAM H. LEVINE, Director
JOHN W. POOLE, Director



Consolidated Statement of Cash Flow from Operations

for the year ended October 31, 1978	1978 (in thousand	1977 ls of dollars)
Net income	\$ 16,720	\$ 10,551
Items not requiring a current outlay of cash—		
Deferred income taxes	16,847	12,165
Depreciation and amortization	2,094	1,058
Other	153	81
CASH FLOW FROM OPERATIONS	\$ 35,814	\$ 23,855
CASH FLOW PER COMMON SHARE (Note 21)	<u>\$3.91</u>	\$2.58

Consolidated Statement of Changes in Financial Position

for the year ended October 31, 1978	1978	1977 is of dollars)
OPERATIONAL ACTIVITIES	(iii tilousaiit	is of donars
Cash flow from operations	\$ 35,814	\$ 23,855
Cash recovered through sales of properties—		
recovery of real estate costs	260,744	104,980
less debt discharged on properties sold	194,725	66,606
	66,019	38,374
Gross cash flow from operations	101,833	62,229
Cash applied to properties—		
income producing	108,881	99,037
under development	237,303	130,181
held for future development	11,711	22,780
	357,895	251,998
less net proceeds from property debt	237,831	191,852
	120,064	60,146
NET CASH PROVIDED FROM (APPLIED TO) OPERATIONAL ACTIVITIES	(18,231)	2,083
OTHER ACTIVITIES		
Purchase of marketable securities	1,419	12,527
Dividends paid	1,516	1,069
Increase in other assets	3,219	1,264
NET CASH APPLIED TO OTHER ACTIVITIES	(6,154)	(14,860)
CORPORATE FINANCING ACTIVITIES		
Net proceeds from debenture issues	28,663	17,240
less debentures purchased and redeemed	413	1,214
	28,250	16,026
Net proceeds from share issues	24,041	111
less shares purchased by subsidiary	1,182	861
	22,859	(750)
Net proceeds from other secured debt	30,187	17,846
Net increase in amounts receivable	(54,549)	(21,397)
Net increase in accounts payable and accruals	31,526	6,070
Net decrease in bank indebtedness		(700)
	7,164	1,819
NET CASH PROVIDED FROM CORPORATE FINANCING	58,273	17,095
INCREASE IN CASH AND TERM DEPOSITS	\$ 33,888	\$ 4,318

Daon Development Corporation

Notes to Consolidated Financial Statements

October 31, 1978

1. Summary of Significant Accounting Policies

(a) General

The Company is a member of the Canadian Institute of Public Real Estate Companies. The Company's accounting policies and its standards of financial disclosure are substantially in accordance with the recommendations of that Institute.

(b) Consolidation

The consolidated financial statements include:

- (i) the accounts of the Company and its subsidiaries.
- (ii) the accounts of all incorporated and unincorporated joint ventures and partnerships in which the Company holds an interest, to the extent of the Company's interest in their respective assets, liabilities, revenue and expenses.

(c) Income recognition

The Company recognizes income as follows:

(i) Sales of land and income properties

When the Company has fulfilled all material conditions and has received a down payment that is appropriate in the circumstances having regard to the financial resources of the purchaser.

(ii) Sales of homes

When the sale has been completed and the purchaser is entitled to occupancy.

(iii) Rental

Rental income from each income property is recognized in the consolidated statement of income when breakeven cash flow after debt service is achieved. Prior to achieving this level of cash flow the Company capitalizes rental losses as a part of the normal development cost of an income property, subject to not capitalizing beyond fair market value and subject to a reasonable maximum lease-up period.

(d) Income producing properties

Income producing properties are carried at cost less accumulated depreciation. Depreciation on buildings is provided on the sinking fund basis over a 50-year life for office buildings and shopping centres and a 40-year life for residential and industrial buildings. The sinking fund method provides for a depreciation charge of a fixed annual amount increasing at the rate of 5% per annum, which will result in the cost of the buildings being fully depreciated over their estimated useful lives.

(e) Properties under development

Properties under development for retention as income producing properties are carried at cost. Each property under development for sale is carried at the lower of its cost and net realizable value.

(f) Properties held for future development

Each property held for future development is carried at the lower of its cost and net realizable value.

(g) Capitalization of costs

The Company capitalizes as direct costs of properties under development and properties held for future development, specific interest, property taxes, related development costs and interest on that portion of total costs financed by general corporate borrowings. Where time spent by senior management can be clearly identified with the development of specific properties, the Company allocates the cost of that time to those properties.

(h) Depreciation and amortization of other assets

Equipment is depreciated using either the diminishing balance or straight-line method over the estimated useful lives of the assets concerned.

Debenture financing costs are amortized over the term of the financing after giving effect to any sinking fund and purchase fund requirements.

(i) Foreign exchange

Asset and liability accounts in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the balance sheet dates. Revenue and expenses are translated at weighted average rates prevailing during the year. Gains or losses from exchange translations are included within the consolidated statement of income.



2. Income producing properties

	1978 (in thousand	1977 ds of dollars)	
Residential properties	\$134,516	\$107,126	
Office buildings	75,990	59,335	
Shopping centres	6,866	4,980	
Industrial buildings	5,778	15,521	
	223,150	186,962	
Accumulated depreciation	2,365	1,534	
	\$220,785	\$185,428	

Several of the Company's residential income properties have been subdivided into condominiums and may be marketed as such when operating and financial plans warrant.

3. Properties under development

	1978	1977
	(in thousan	ds of dollars)
Income properties under development—		
Office buildings	\$ 42,696	\$ 33,477
Shopping centres	39,028	7,084
Industrial buildings	5,229	2,080
	86,953	42,641
Homes for sale	56,578	39,250
Land under development for sale	58,309	56,844
	\$201,840	\$138,735

4. Properties held for future development

	1978	1977
	(in thousand	ds of dollars)
Purchase price	\$ 39,320	\$ 41,651
Preliminary development costs	5,953	6,529
Capitalized costs	11,129	9,367
	56,402	57,547
Option deposits and related costs	4,472	3,316
	\$ 60,874	\$ 60,863

Daon Development Corporation

Notes to Consolidated Financial Statements (continued)

October 31, 1978

5. Amounts receivable

	1978 (in thousand	1977 Is of dollars)
Mortgages and agreements for sale Amounts due on real estate sales Rents and other tenant charges Secured advances on behalf of joint venture partners Amounts receivable from employees pursuant to stock purchase plans and house mortgage loans, including \$862,000 due from	\$ 77,606 19,534 1,363 4,464	\$ 48,049 1,751 980 680
certain directors and officers (1977—\$867,000) Sundry	1,269 3,954 \$108,190	1,375 3,866 \$ 56,701

The mortgages and agreements for sale yield a weighted average interest rate of 10.3% (1977–10.4%).

The due dates of the amounts receivable are as follows:

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6. Investments

These assets are marketable securities, carried at cost, held for long-term investment, having a quoted market value of \$17,914,000 (1977—\$10,956,000).

7. Other assets

	1978 (in thousar		977 lars)
Prepaid expenses	S 1,527	S	944
Equipment and sundry assets, at cost less accumulated			
depreciation of \$719,000 (1977—\$633,000)	3,623		1,350
Debenture financing and issue expenses, net of accumulated			
amortizaton of \$380,000 (1977—\$226,000)	2,898		1,707
	\$ 8,048	S	4,001

8. Debt on properties

	1978		1977
	(in thousand	ls of dollars)	
Long-term Debt	Interim Financing	Total	Total_
\$110,942	\$ 59,292	\$170,234	\$152,008
	112,266	127,858	98,133
30,867	7,353	38,220	43,065
\$157,401	\$178,911	\$336,312	\$293,206
	Debt \$110,942 15,592 30,867	(in thousand Debt Financing \$ 110,942 \$ 59,292 \$ 112,266 \$ 30,867 7,353	(in thousands of dollars) Long-term Interim Total Debt Financing Total \$110,942 \$ 59,292 \$170,234 15,592 112,266 127,858 30,867 7,353 38,220

The long-term debt portion of the above bears interest at a weighted average rate of 10.1% per annum (1977–9.8%), with principal repayments due as follows:

	(in thousands of dollars)
Years ending October 31, 1979	\$ 17,249
1980	16,603
1981	22,048
1982	7,667
1983	6,650
Subsequent to 1983	87,184
	\$157,401

The interim financing is expected to be discharged or replaced by long-term debt as follows:

	(in thousands of dollars)
(a) To be discharged at the time of sale of property (the Company having purchase commitments as at December 1, 1978 that will result in the discharge of \$10,827,000 of this amount)	\$ 23,613
(b) To be assumed or discharged by purchasers of homes (the Company having arranged commitments from lenders to provide long-term mortgage funds as required by qualified purchasers)	59,715
(c) To be replaced with long-term debt (the Company having commitments from lenders as at December 1, 1978 for \$36,254,000 of this amount)	59,049
(d) To be either replaced by alternative financing for which the Company has not yet obtained commitments, or discharged when due	36,534 <u>\$178,911</u>

9. Debentures payable

· 可以 (1) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1978 (in thousand	1977 ls of dollars)
93/4% Sinking Fund Debentures, Series C, maturing April 15, 1994, retractable April 15, 1984	\$ 8,686	S 9,099
11½% Sinking Fund Debentures, Series E, maturing April 1, 1991, retractable October 1, 1982	15,000	15,000
111/4% Sinking Fund Debentures, Series F, maturing March 1, 1997, retractable March 1, 1986	18,000	18,000
11% Sinking Fund Debentures, Series G, maturing February 15, 1998, retractable February 15, 1988	15,000	-
11¼% Sinking Fund Debentures, Series H, maturing June 15, 1998, retractable June 15, 1988	15,000	
	\$ 71,686	S 42,099

The above debentures are secured by a first floating charge, subject to the exceptions permitted by the instruments authorizing the issuance of each series, on the assets of the parent company (but not the assets of any subsidiary company).

Daon Development Corporation

Notes to Consolidated Financial Statements (continued)

October 31, 1978

9. Debentures payable (continued)

As well as being required to establish a sinking fund for each series of debentures issued, the Company is required, subject to certain defined conditions, to establish a purchase fund for certain of its debentures. The maximum amount required to meet sinking fund and purchase fund requirements for the next five years is as follows:

(in thousands of dollars)

	Sinking Fund	Purchase Fund	Total
Years ending October 31, 1979	\$ 386	\$ 1,840	\$ 2,226
1980	400	1,840	2,240
1981	500	1,840	2,340
1982	500	1,840	2,340
1983	1,170	1,440	2,610
	\$ 2,956	\$ 8,800	\$ 11,756

10. Other secured liabilities

These interest bearing liabilities, due at various intervals to October, 1984, are secured by the following non-property assets:

		1978		1977
	(in thousands of dollars)			
	Long-term Debt	Interim Financing	Total	Total
Amounts receivable Investments Term deposits	\$ 11,862 9,427 —	\$ 40,260 - -	\$ 52,122 9,427 —	\$ 20,390 9,391 1,581
	\$ 21,289	\$ 40,260	S 61,549	\$ 31,362

11. Accounts payable and accruals

	1978	1977	
	(in thousands of dollars)		
Trade payables	\$ 20,841	\$ 14,110	
Accrued liabilities	13,122	6,989	
Deferred income and deposits	5,492	1,728	
Costs to complete properties sold	21,165	6,267	
	<u>\$ 60,620</u>	\$ 29,094	

12. Deferred income taxes

The Company follows the tax allocation method of accounting for income taxes under which full provision for income taxes is made on the entire reported income. Deferred income taxes primarily arise from:

- (a) the difference between depreciation recorded for accounting purposes and capital cost allowance claimed for tax purposes.
- (b) the deferral of income for tax purposes on installment sales.
- (c) certain development and carrying costs capitalized or deferred for accounting purposes but written-off for tax purposes.



1977

13. Capital stock

Authorized-

40,000,000 Common Shares without par value 10,000,000 Preference Shares with a par value of \$10 each issuable in series, of which 2,500,000 have been fixed

as the first series and are designated as 85% Cumulative Redeemable Preference Shares, Senior Series A

2,000,000 75¢ Class A Shares without par value

	(in thousand	s of dollars)
Issued— 9,765,852 Common Shares (1977—9,674,652)	\$ 4,100	\$ 4,028
2,500,000 85% Cumulative Redeemable Preference Shares, Senior Series A	25,000	_
641,076 75¢ Class A Shares (redeemable at \$6.00 per share from November 1, 1978)	1,044	1,044
	\$ 30 144	S 5.072

On February 10, 1978, the Company subdivided its Common Shares, both issued and unissued, on a two-for-one basis.

On February 28, 1978, the Company created a class of 10,000,000 Preference Shares with a par value of \$10 each issuable in series and on October 20, 1978, 2,500,000 Preference Shares were fixed as the first series of Preference Shares and designated as 85% Cumulative Redeemable Preference Shares, Senior Series A and the special rights or restrictions attaching to such series were defined and attached thereto. On October 26, 1978, the Company issued 2,500,000 85% Cumulative Redeemable Preference Shares, Senior Series A, for \$25,000,000 cash.

During the year, 91,200 Common Shares were issued for a consideration of \$72,000 pursuant to the Company's stock option plans (1977–132,800 shares for \$111,000).

50,800 Common Shares are reserved for issue in connection with the Company's stock options which were granted to certain officers and employees of the Company at prevailing market prices of between \$.75 and \$7.375 per Common Share. An option to purchase 6,000 Common Shares was granted in 1978 (1977—nil).

The Company is entitled to purchase in the open market for cancellation all, or any number of, 75¢ Class A Shares at any price and at any time. Each 75¢ Class A Share is redeemable at the shareholder's option on October 31, 1985 at \$6.00.

Under the special rights or restrictions attaching to the 85% Cumulative Redeemable Preference Shares, Senior Series A, and under the terms of the Trust Indenture providing for the issuance of the Series C, E, F, G and H debentures, the Company may not pay dividends unless certain prescribed requirements are met. In management's opinion, these restrictions will not affect the Company's present dividend policy.

14. Shares held by subsidiary

During the current year the Company purchased in the open market, through a subsidiary, 119,300 Common Shares for \$1,182,000, pursuant to its policy of expending in each fiscal year, under certain conditions, approximately 10% of its consolidated net income for the prior fiscal year to purchase Common Shares of the Company. The subsidiary now holds 793,340 Common Shares of the Company at a cost of \$2,900,000.

15. Contingent liabilities and commitments

- (a) The Company is contingently liable for obligations of certain joint ventures amounting to \$46,846,000. However, in each case, the total assets of the joint ventures are available and adequate to satisfy such obligations.
- (b) The Company has entered into lease agreements for terms of up to 85 years. The maximum annual rental payments required are \$3,126,000.
- (c) The estimated costs to complete properties under development are \$133,951,000, the Company having financing commitments for \$111,452,000 of these anticipated costs.
- (d) The Company has no unfunded pension liabilities.

Daon Development Corporation

Notes to Consolidated Financial Statements (continued)

October 31, 1978

16. Other revenue

Included in other revenue are net gains from foreign exchange translations and transactions, including forward contracts, amounting to \$126,000 (1977—\$2,203,000), of which none has been realized (1977—\$690,000).

17. Interest

	1978	1977	
	(in thousands of dollars)		
Interest charges were incurred from—			
Debt on properties	\$ 35,163	\$ 21,051	
Debentures	6,590	4,102	
Bank and other secured debt	3,351	1,665	
	45,104	26,818	
less interest directly capitalized or allocated to			
properties under and held for development	22,183	14,451	
Interest expense	S 22,921	\$ 12,367	

18. Capitalized costs

During the year the Company capitalized the following costs:		
	1978	1977
	(in thousands of dollars)	
Interest	S 22,183	\$ 14,451
Property taxes, net	2,243	1,883
Other indirect costs	5,241	3,183
	S 29,667	\$ 19,517
These costs were capitalized to properties as follows:		
Income properties under development	\$ 7,152	\$ 5,904
Homes for sale	8,153	2,179
Land under development for sale	8,635	7,115
Land held for future development	5,727	4,319
	\$ 29,667	\$ 19,517
	The second secon	The state of the s

Of the above costs capitalized during the year, \$1,857,000 has been transferred to income producing properties and \$12,007,000 has been included in the cost of real estate sales.

19. Joint ventures

The following amounts included within the consolidated financial statements represent the Company's proportionate share of the accounts of incorporated and unincorporated joint ventures and partnerships:

	ds of dollars)
\$ 41,180	\$ 11,644
34,354	9,728
11,951	9,137
10,000	5,146
	\$ 41,180 34,354 11,951



20. Foreign operations

The condensed balance sheet, expressed in Canadian dollars, of Daon Corporation, a wholly-owned U.S. subsidiary, is as follows:

Assets	(in thousand	ds of dollars)
Properties Cash and receivables Other assets	\$224,545 63,366 1,325 <u>\$289,236</u>	\$126,289 14,444 226 \$140,959
Liabilities Debt on properties Accounts payable, accruals and other debt Deferred income taxes Advances from affiliated company (1977—parent company) and shareholder's equity	\$148,170 50,759 15,617 $\frac{74,690}{$289,236}$	\$ 95,206 7,459 3,444 34,850 \$140,959

In addition to the above, the parent company has financed certain of its Canadian assets with debt repayable in U.S. dollars. This debt, translated into Canadian dollars, amounted to \$16,884,000 at October 31, 1978 (1977—\$13,899,000).

21. Per share calculations

Earnings and cash flow per Common Share have been calculated using the weighted average number of Common Shares outstanding during the year (net of shares held by a subsidiary) after providing for dividends on the outstanding 75¢ Class A Shares and Preference Shares.

The 1977 earnings and cash flow per Common Share have been restated to reflect the subdivision of Common Shares referred to in Note 13.

The outstanding stock options have no material dilutive effect on the earnings and cash flow per Common Share.

22. Remuneration of directors and senior officers

The aggregate remuneration for the year paid or payable by the Company and its subsidiaries to the directors and senior officers of the Company amounted to \$1,197,000 (1977—\$1,004,000).

23. Anti-inflation program

The Company was subject to and has complied with the provisions of the Canadian Government's Anti-inflation program in respect of prices and profits, compensation and dividends. As of November 1, 1978, the provisions relating to prices and profits and dividends no longer apply to the Company, while the provisions relating to compensation remain in effect until December 31, 1978.

24. Comparative figures

The 1977 comparative figures have been reclassified to conform with the 1978 presentation.

Income Producing Properties

Alberta			
BROADMOOR CENTRE Edmonton	Warehouse/office complex	40,400 sq. ft.	Completed in 1978
DAON BUILDING Calgary	Office building	22 storeys; 162,000 sq. ft.	Completed in 1973
GREENWOOD VILLAGE Calgary	Mobile home park	474 units; 50% interest	Acquired in 1974; expansion completed in 1976
HAYS FARM Calgary	Garden apartments	484 units; 50% interest in 228 units; 100% interest in 256	340 units completed in 1974; expansion completed in 1977
NORWESTER INDUSTRIAL Edmonton	8 warehouse/ office buildings	357,400 sq. ft.	Completed in 1975-78
SEVENTH STREET PLAZA Edmonton	Twin office buildings	329,000 sq. ft.	Completed in 1977
YELLOWHEAD CENTRE Edmonton	Office/retail complex	52,000 sq. ft.	Completed in 1977
British Columbia			e le co
DAON BUILDING Vancouver	Office building	21 storeys; 247,000 sq. ft.	Completed in 1974
1166 WEST PENDER STREET Vancouver	Office building	15 storeys; 150,000 sq. ft.	Completed in 1975
LANGLEY MALL Langley	Shopping centre	132,000 sq. ft.	Completed in 1974
TIMBERLEA Burnaby	High rise apartments	125 units	Completed in 1976
VALLEY FAIR SHOPPING CENTRE Haney	Shopping centre	105,000 sq. ft.; 50% interest	Acquired in 1975; expansion completed in 1978
WANETA PLAZA Trail	Shopping centre	193,000 sq. ft.	Completed in 1978
WOODCROFT PLACE PHASE I North Vancouver	High rise apartments	507 units	Completed in 1974
California			
HALEMAKAI San Diego	Low rise apartments	128 units	Acquired in 1977
HERITAGE VILLAGE Santa Ana	Townhouse apartments	123 units	Acquired in 1977
LAUREL TREE San Pedro	Garden apartments	517 units	Acquired in 1977
LINDENWOOD Long Beach	Low rise apartments	198 units	Acquired in 1978
OLIVE GROVE Santa Ana	Townhouse apartments	184 units	Acquired in 1977
SOBOBA SPRINGS San Jacinto	Mobile home park	184 units	Acquired in 1978
SOUTH COAST TERRACE Santa Ana	Garden apartments	256 units	Acquired in 1978
SOUTH COAST VILLAS Santa Ana	Garden apartments	304 units	Acquired in 1978
WALNUT CREEK PLAZA Walnut Creek	Office building	10 storeys; 155,000 sq. ft.	Acquired in 1977; expansion to be completed in 1979



Income Producing Properties (continued)

New Mexico			
CASA DEL NORTE Albuquerque	Low rise apartments	124 units	Acquired in 1978
LA VILLITA Albuquerque	Low rise apartments	72 units	Acquired in 1977
PARK PLAZA Albuquerque	High rise apartments	150 units	Acquired in 1978
PUEBLO VILLAS Albuquerque	Low rise apartments	232 units	Acquired in 1978
SANDIA PLAZA Albuquerque	Low rise apartments	102 units	Acquired in 1977
Ontario			
180 DUNDAS STREET WEST Toronto	Office building	27 storeys; 276,000 sq. ft.	Acquired in 1977
PROFESSIONAL BUILDING Toronto	Office building	17 storeys; 140,000 sq. ft.	Acquired in 1977
Washington			
LAKEWOOD SHORES Redmond	Low rise apartments	83 units	Acquired in 1978

Properties Under Development

Alberta

BROADMOOR CENTRE Edmonton	Industrial land	42 acres; 50% interest	Acquired in 1972; development 1978-79
HORIZON INDUSTRIAL ESTATES Calgary	Commercial and industrial land	74 acres; 50% interest	Acquired in 1973-74; development 1978-79
MacLEAN BLOCK Edmonton	Office building	25,000 sq. ft.	Acquired in 1977; restoration completed in 1978
NORWESTER INDUSTRIAL Edmonton	Industrial land	35 acres	Acquired in 1973; development 1978-79
PLAZA 500 Calgary	Office building	24 storeys; 267,000 sq. ft.	Construction in 1979-80
THE PROPERTIES Calgary	Residential land	41 acres	Acquired in 1971-73; development 1979
WETASKIWIN MALL Wetaskiwin	Shopping centre	160,000 sq. ft.	Construction in 1978-79
WATERLOO SITE Edmonton	Office building	310,000 sq. ft.	Construction in 1980-81
British Columbia			
BURRARD & HASTINGS STREETS Vancouver	Office building	19 storeys; 196,000 sq. ft.	Construction in 1978-80
COQUITLAM CENTRE Coquitlam	Shopping centre	745,000 sq. ft.; 50% interest	Construction in 1978-79
LANGARA ESTATES Vancouver	Luxury townhouses and apartments	98 units; 80 sold*	Construction and sale 1977-79
OZADA AVENUE Coquitlam	Residential land	36 acres	Acquired in 1974; development 1979-80
RIVER BEND North Vancouver	High rise condominiums	390 units; 386 sold*	Completed in 1977; sales program 1977-78
SUNMEADOWS Surrey	Residential land	31 acres	Acquired in 1973; development 1978-80
1 40 400			

Properties Under Development (continued)

British Columbia (continued)			
WOODCROFT PLACE PHASE II North Vancouver WILLOUGH PARK Langley	High rise condominiums Residential land	325 units; 317 sold* 89 acres	Completed in 1975; sales program 1975-78 Acquired in 1978; development 1979-82
California			
ADOBE FALLS San Diego	Townhouse condominiums	272 units; 267 sold*	Acquired in 1978; sales program 1978
AGOURA MEADOWS CENTRE Agoura	Shopping centre	110,000 sq. ft.; 50% interest	Completion in 1979
BRINDERSON COMPLEX Irvine	Office buildings	3 storeys; 89,000 sq. ft.; 50% interest	Completion in 1979
DAON CENTRE Newport Beach	Office buildings	3 and 5 storeys; 142,000 sq. ft.	Completion in 1979
DIAMOND RIDGE San Francisco	Low rise condominiums	48 units; 46 sold*	Acquired in 1977; sales program 1978
THE GARDENS San Mateo	Townhouse condominiums	184 units; 148 sold*	Acquired in 1977; sales program 1978-79
HANCOCK PARK Los Angeles	Low rise condominiums	100 units; 85 sold*	Acquired in 1977; sales program 1978-79
HERITAGE OF CLAREMONT Oakland	Low rise condominiums	46 units; 44 sold*	Acquired in 1978; sales program 1978
LAFAYETTE PARK TOWERS Los Angeles	High rise condominiums	178 units; 166 sold*	Acquired in 1977; sales program 1978
McGAW COMPLEX Irvine	3 warehouse/office buildings	76,600 sq. ft.; 6643% interest	Completion in 1979
MOCKINGBIRD CANYON Riverside	Residential land	332 acres	Acquired in 1977; development 1978-79
MONTEGO EXECUTIVE CENTRE Walnut Creek	Suburban office park	2 storeys; 113,000 sq. ft.	Construction in 1978-79
PARADISE POINT EXECUTIVE CENTRE, Corte Madera	Suburban office park	2 storeys; 57,500 sq. ft.	Construction in 1978-79
PARKVIEW TERRACE Vallejo	Low rise condominiums	98 units; 35 sold;* 60% interest	Acquired in 1978; sales program 1978-79
SCRIPPS RANCH San Diego County	Residential land	200 acres	Acquired in 1978; development 1979-80
SEA RIDGE San Clemente	Residential land	105 acres	Acquired in 1977; development 1978-79
THE SHAKLEE BUILDING San Francisco	Office building	38 storeys; 605,000 sq. ft.; 50% interest	Construction in 1977-80
SOUTH POINTE FARMS San Diego County	Residential land	185 acres	Acquired in 1978; development 1979-80
TARA HILL Culver City	Garden apartments	430 units; 60% interest	Acquired in 1978; sales program 1978-79
WEST KNOLL APARTMENTS West Hollywood	High rise condominiums	66 units	Acquired in 1978; sales program 1978-79
Manitoba			
PORTAGE LA PRAIRIE MALL Portage La Prairie	Shopping Centre	189,000 sq. ft.	Construction in 1978-79
Ontario			
NORTHGATE SQUARE North Bay	Shopping Centre	363,000 sq. ft.; 50% interest	Acquired in 1978; expansion 1979-80



Properties Under Development (continued)

Oregon				
MOUNTAIN PARK Lake Oswego	Residential land	152 acres	Acquired in 1978; development 1978-79	
Washington				
COMMENCEMENT BAY VISTA Tacoma	Residential land	53 acres	Acquired in 1977; development 1979	
KINGSGROVE King County	Residential land	37 acres	Acquired in 1978; development 1979	

Properties Held for Future Development

Residential land	209 acres	Acquired in 1976-78; development 1979-84
Residential land	194 acres	Acquired in 1974-77; development 1979-85
Commercial and industrial land	314 acres; 50% interest	Acquired in 1973-74; development 1979-84
Residential and commercial land	94 acres; 50% interest	Acquired in 1973; development 1979-81
Residential land	226 acres	Acquired in 1973; development 1981-82
Industrial land	468 acres	Acquired in 1974-77; development 1979-90
Residential land	242 acres	Acquired in 1971-73; development 1979-80
Residential land	2,804 acres	Acquired in 1974-76; development 1979-89
Residential land	132 acres	Acquired in 1975; development 1979-83
Residential and commercial land	858 acres	Acquired in 1973; development 1979-88
Residential land	34 acres	Acquired in 1976; development 1980-82
Residential land	190 acres	Acquired in 1977; development 1979
Residential land	111 acres	Acquired in 1976; development 1979-81
Residential and commercial land	965 acres	Acquired in 1976-77; development 1979-86
Residential and commercial land	267 acres	Acquired in 1978; development 1979-82
Residential land	100 acres	Acquired in 1978; development 1980-81
Residential and commercial land	1,444 acres	Acquired in 1978; development 1979-89
	Residential land Commercial and industrial land Residential and commercial land Industrial land Industrial land Residential land Residential land Residential land Residential land Residential and commercial land Residential and commercial land Residential and commercial land Residential and commercial land Residential and commercial land	Residential land Commercial and industrial land Residential and commercial land Residential land

Daon Development Corporation

Corporate Directory

Daon Development Corporation

Directors

William J. Corcoran, *President* W. J. Corcoran Company Ltd., Toronto

Graham R. Dawson, President

Dawson Construction Limited, Vancouver

Roderick M. Hungerford, *President* Flex-Lox Industries Ltd., Vancouver

Edgar F. Kaiser, Jr., Chairman and Chief Executive Officer

Kaiser Resources Ltd., Vancouver

William B. Laurie, Executive Vice-President and Secretary

Dawson Construction Limited, Vancouver

William H. Levine, Executive Vice-President Daon Development Corporation, Vancouver

George B. McKeen, President McKeen & Wilson Ltd., Vancouver

Russell A. Nunn, *Senior Vice-President* Daon Development Corporation, Calgary

John W. Poole, *President and Chief Executive Officer* Daon Development Corporation, Vancouver

Officers

Mac D. Campbell, Senior Vice-President and Chief Financial Officer

Graham R. Dawson, Chairman of the Board

James H. Findlay, Vice-President, Administration

Basil V. Franey, Senior Vice-President and Secretary

Raymond J. Langrish, Vice-President and Controller

William H. Levine, Executive Vice-President

Russell A. Nunn, Senior Vice-President

John W. Poole, President and Chief Executive Officer

George C. Reifel, Treasurer

James D. Stout, Vice-President

June E. Vassos, Assistant Secretary

Daon Corporation

Wholly-owned U.S. Subsidiary

Directors

J. Patrick Blew, Vice-President

Daon Corporation

Mac D. Campbell, Senior Vice-President and

Chief Financial Officer

Daon Development Corporation

John C. Garrett, Partner

Drummy Garrett & King

William H. Levine, Executive Vice-President

Daon Development Corporation

Russell A. Nunn, Senior Vice-President

Daon Development Corporation

John W. Poole, President and Chief Executive Officer

Daon Development Corporation

Thomas J. Rielly, President

Rielly Electric Inc.

James D. Stout, Executive Vice-President

Daon Corporation

Officers

J. Patrick Blew, Vice-President

Morris S. Cohen, Controller

Basil V. Franey, Associate Secretary

William F. Garlock, Vice-President, Project Finance

John C. Garrett, Secretary

William H. Levine, President

John W. Poole, Chairman and Chief Executive Officer

William B. Seith, Treasurer

James D. Stout, Executive Vice-President



Operating Divisions

Daon Midwest

Russell A. Nunn, *President*James C. Whitehead, *Vice-President*, *Land*

Daon Pacific

Kenneth V. Bellamy, Vice-President, Operations, Washington and Oregon

George G. Flanigan, Vice-President, Operations, British Columbia

William H. Levine, President

Daon Southwest

J. Patrick Blew, Vice-President, Operations Warren A. Colton III, Vice-President, Land Development

G. Gipp DuPree, Vice-President, Dallas Operations Gordon W. Gauley, Vice-President, Marketing John E. Harris, Vice-President, Northern California James D. Stout, President

Daon Shopping Centres

William H. Levine, *President* Rodney A. Schroeder, *Vice-President*

Daon Management

Basil V. Franey, President Donald H. Weber, Vice-President

Corporate Offices Daon Development Corporation

The Daon Building 1050 West Pender Street Vancouver, B.C. V6E 3S8

Branch offices in Calgary and Edmonton

Daon Corporation

4041 MacArthur Boulevard Newport Beach California 92660

Branch offices in Seattle, Portland, San Francisco and Dallas

Auditors

Arthur Andersen & Co.

Transfer Agents and Registrars

Common Shares and 75¢ Class A Shares National Trust Company, Limited 85%% Preference Shares, Senior Series A The Canada Trust Company

Trustee for Debentures

National Trust Company, Limited

Stock Exchange Listings

Vancouver Stock Exchange Toronto Stock Exchange Montreal Stock Exchange Alberta Stock Exchange

- Daon Centre, in Newport Beach, is the new headquarters for the company's U.S. operations. Two buildings, 142,000 square feet, plus parkade. Almost fully leased.
- ☼ Diamond Ridge, a 48-suite low-rise residential building in San Francisco. Selling as condominiums.
- Montego Executive
 Centre, a 3-building,
 2-storey office complex
 under construction at
 Walnut Creek, near San
 Francisco. 113,000 square
 feet.

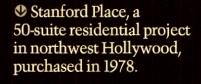








- © South Coast Villas, 304 garden apartments in Santa Ana.
- Sea Ridge, at San Clemente, acquired in 1977 for residential development during 1978-79.
- Adobe Falls, 272 garden apartments in San Diego. Selling as condominiums.









♠ McGaw Complex, three warehouse/office buildings in Irvine. Completed in late 1978.

California

The economy in California, particularly in the Los Angeles and San Francisco areas, continues to perform extremely well, outpacing most of the United States by a wide margin. The buoyant economy and a continuing housing shortage have

combined to create one of the strongest real estate markets on the continent. Daon's involvement in California has increased sharply, both in volume and as a percentage of total company investment. The company has also moved into commercial real estate with construction and purchase of several office buildings.

⇒ Heritage of Claremont, a 46-suite residential building in Oakland. Selling as condominiums.







Walnut Creek Plaza, 10-storey office tower, 155,000 square feet, east of San Francisco. Construction of retail/office extension and parkade now under way. Almost fully leased.

The Shaklee Building, a 38-storey office tower in downtown San Francisco, a joint venture with The Cadillac-Fairview Corporation Limited. Completion expected early in 1980. Superstructure about half complete (left); model

(right). Space more than 50% leased.



Washington

The company continues to move aggressively into Washington State. A strong demand for housing and sharply improved economic conditions, particularly in the Seattle area, are providing very attractive opportunities in both residential and commercial real estate.

Daurelon Terrace, 136 garden apartments in Seattle. Sold as condominiums in 1978.





- Greenbrier, 249 garden apartments being acquired in Everett, north of Seattle.
- The company's most important move in the State of Washington to date was the purchase of Possession Shores. This 1,444-acre tract on Puget Sound for residential and commercial development, is adjacent to the major Boeing plant at Paine Field north of Seattle.



Lakewood Shores, an 83-suite residential project in Redmond. Currently fully rented.





This site at 8th & Olive in downtown Seattle is being acquired for an office tower, on which construction will start in 1979.



New Mexico

The company has acquired five residential projects in Albuquerque. These properties, comprising 680 suites, are shown here.



Pueblo Villas.

Park Plaza.







Casa del Norte.

Sandia Plaza.



ea has high potential and development there.



Mountain Park, 152-acre residential development at Lake Oswego, near Portland.



South Coast Terrace, 256 garden apartments in Santa Ana.

♠ Brinderson Complex, two 3-storey office buildings in Irvine, southeast of Los Angeles. To be completed early in 1979.

Texas

The company recently opened an office in Dallas in order to participate in the very strong Texas real estate market. Initial operations will be in the Dallas-Fort Worth area. Shown below are three properties the company is in the process of acquiring.





- ♠ The Haven, 218 garden apartments in Fort Worth. Currently fully rented.
- © Governor's Palace, a 64-suite residential project in Fort Worth. Currently fully rented.
- The Quorum, 72 acres of prime land for commercial development in North Dallas.



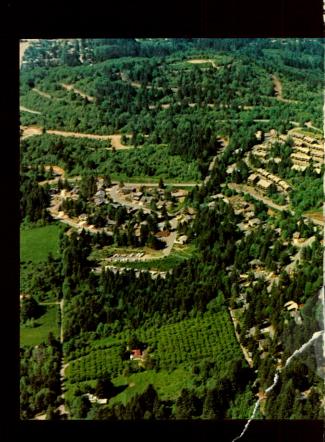
Soboba Springs, acquired in 1978 for residential/commercial development commercing in 1979.

Domingo Apartments, 28 suites at Newport Beach, currently fully rented.



Oregon

The residential market in the Portland at the company has recently begun its first major





Agoura Meadows
Centre, a shopping centre
of 110,000 square feet
under construction, northwest of Los Angeles. To be
completed early in 1979.





Daon Development Corporation British Columbia, Alberta, Washington, Oregon, California, Texas