



Sweetlife Flora Biotech Division

CREDIT OVERVIEW & LOAN REQUEST SUMMARY

Construction-to-Term Commercial Mortgage Request

Transaction Overview

Sweetlife Flora Inc. is requesting a construction mortgage converting to a conventional commercial mortgage to finance the renovation and activation of an owner-occupied, revenue-producing commercial manufacturing facility.

The proposed financing supports permanent, value-adding improvements to an existing commercial building, resulting in a stabilized operating asset suitable for long-term conventional mortgage financing.

Loan Request Summary

Requested Facility: Construction mortgage converting to term

Loan Amount: \$775,000

Purpose: Building renovation and storefront/production activation

Collateral: Owner-occupied commercial building; zoned mixed-use

Current Property Assessment (2026): \$250,000

Proposed Term (Post-Conversion): 5-year fixed

Amortization: 25 or 30 years

Occupancy: Owner-occupied

Repayment Source: Operating cash flow from stabilized commercial operations

Use of Proceeds

Loan proceeds are allocated exclusively to permanent, recoverable building improvements, including construction, mechanical, electrical, and production-enabling upgrades required to activate a compliant commercial manufacturing facility.

Funds are not used for:

- Property acquisition
- Speculative development
- Experimental research
- Agricultural Activities

- Equity distributions
- Non-essential or lifestyle-oriented improvements

All expenditures directly enhance the long-term utility, income-generating capacity, and financeability of the property.

Property & Collateral Overview

The subject property is an owner-occupied commercial building (zoned mixed-use) undergoing renovation to support controlled-environment manufacturing operations.

The renovation materially improves:

- Functional utility
- Code compliance
- Revenue-generating capacity
- Long-term collateral value

Supporting property documentation, assessments, permits, and legal descriptions are provided separately to lenders for underwriting and appraisal review.

Construction Mortgage & Conversion Structure

The facility is structured as a construction mortgage during the renovation phase, converting automatically to a conventional commercial mortgage upon:

- Completion of renovations
- Occupancy of the facility
- Demonstrated operating income and stabilization

This structure aligns short-term construction risk with long-term stabilized asset financing, without requiring lender exit or refinancing events outside the institution.

Operating & Repayment Profile

Post-renovation, the property supports a controlled-environment manufacturing operation characterized by:

- Indoor, year-round production
- Predictable output and inventory turnover
- Multiple complementary revenue channels
- Reduced exposure to seasonal or agricultural volatility

Operating income from these activities is intended to support long-term debt service on the conventional mortgage.

Risk Positioning (High-Level)

Key credit risks are mitigated through:

- Fixed and defined renovation scope

- Owner-occupied operating model
- Diversified revenue channels
- Permanent asset improvements
- Conversion to long-term amortizing debt

Detailed risk analysis and mitigation strategies are addressed in a dedicated Risk Register document.

Credit Rationale Summary

This request represents asset-backed construction financing transitioning to long-term commercial mortgage debt, supported by:

- An owner-occupied property
- Permanent building improvements
- A stabilized, revenue-producing operating model
- Conservative post-completion financial assumptions

The transaction is structured to meet conventional commercial lending criteria following construction completion.

Prepared for evaluation by regulated financial institutions in connection with a construction-to-term commercial mortgage facility.