



## Sweetlife Flora Biotech Division

### RENOVATION SCOPE & USE OF FUNDS – \$775,000

#### Construction-to-Term Commercial Mortgage Request

**Subject Property:** 651 Mountain Road, Moncton, New Brunswick

#### Purpose of Renovation Financing

The requested financing is intended to complete a comprehensive renovation of an existing commercial building, converting it from an as-is condition into a fully compliant, accessible, revenue-producing, owner-occupied facility.

The renovation scope represents a full base-building and systems reset, rather than a cosmetic or partial upgrade, and is required to support long-term commercial occupancy, insurability, and financeability.

#### Current Condition Summary

The building is currently stripped down to the structural shell, requiring:

- Complete replacement of the roof system
- Full installation of new mechanical, electrical, and plumbing systems
- Interior reconstruction to meet modern commercial code and accessibility standards

This condition necessitates a holistic renovation approach to eliminate legacy building risk and establish a modern, compliant operating asset.

#### Scope of Renovation Work

Renovation activities funded by the requested facility include the following permanent improvements:

##### **A. Structural & Building Envelope Improvements**

- Full roof replacement to address existing damage and ensure long-term structural integrity
- Associated structural remediation as required to support new systems and occupancy

##### **B. Mechanical, Electrical & Plumbing (MEP) Systems**

- Complete electrical system installation from base building condition
- New plumbing infrastructure throughout the facility

- New HVAC systems designed for commercial occupancy and controlled environments

These systems are installed from scratch, eliminating deferred maintenance and reducing future capital risk.

#### **C. Interior Reconstruction & Code Compliance**

- Full interior build-out from stud condition
- Fire, safety, and building code compliance upgrades
- Interior finishes required for permitted commercial use

#### **D. Accessibility Improvements**

- Comprehensive accessibility upgrades to ensure the facility meets applicable accessibility standards
- Barrier-free access and compliant interior circulation

Accessibility improvements are integral to lawful occupancy and long-term commercial use.

#### **E. Storefront & Café Fit-Out**

- Construction of a permitted storefront and café area as part of the owner-occupied commercial premises
- Build-out is functional and operational in nature, supporting daily business activity and customer access

This area is not a discretionary amenity; it is part of the primary operating footprint of the business.

#### **F. Fixed Equipment & Appliances**

- Commercial-grade appliances and fixed equipment required for daily operations

Items are integral to the permitted use of the space and are treated as part of the operational fit-out

#### **G. Permanent Interior Features**

- Installation of a representative living wall as a fixed interior feature

Functions as a permanent sales and demonstration element integrated into the building

#### **H. Signage**

- Exterior and interior signage required for lawful commercial identification, wayfinding, and accessibility

Signage is treated as a required component of commercial occupancy

### **Use of Funds Summary**

All loan proceeds are allocated to recoverable, permanent improvements, including:

- Structural remediation
- Base-building systems

- Code and accessibility compliance
- Owner-occupied commercial fit-out
- Fixed equipment and permanent interior features

Funds are not used for:

- Property acquisition
- Speculative development
- Experimental activities
- Equity distributions
- Non-essential or lifestyle expenditures

### **Asset Impact & Credit Relevance**

Upon completion, the renovations will result in:

- A fully compliant, accessible commercial building
- Modernized systems with reduced operational risk
- Improved durability and long-term utility of the asset
- A stabilized, owner-occupied operating facility suitable for conventional commercial mortgage financing

The scope materially improves the collateral quality supporting the requested construction-to-term mortgage.

### **Supporting Documentation**

Detailed construction drawings, engineering reports, permits, contractor documentation, and related materials are provided directly to lenders through a secure supplemental due diligence folder to support underwriting, inspection, and appraisal review.

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