

Kings Castle LP

Invest in Alberta

Multifamily Real Estate

► **10%+ Target Annual Return**

What Does Prestigious Properties Do?

We specialize in acquiring, adding value to, and managing select multifamily rental properties in growth markets with tightening vacancies, with a focus on Western Canada. We buy C-class buildings in "B" locations where rent growth can be achieved. Combined with leverage and cash flow we aim to achieve an average annual return of 10%+ per year or 50-70% overall in 5-7 years.

- Approximately \$100M in Assets Under Management
- Focused on high-growth markets (Alberta & Saskatchewan)
- Transacted over \$175M in real estate
- Experienced Management Team

We offer eligible investors an opportunity to participate in this lucrative investment realm. We back our claims with a proven track record of results, and proven management experience of real assets with regular cash-flow and equity growth. We have over \$46,000,000 invested so far, with a combined asset value exceeding \$100,000,000 as of Q2/Q3 2014.

Target Return: 10%+ annually over five to seven years with optional quarterly cash-flow.

What Does The Investment Entail?

Kings Castle is our latest limited partnership (LP) investment into multiple assets: carefully selected apartment buildings and also land for development. The investment is via an offering memorandum

into this LP. **Minimum \$10,000 investment for eligible and/or accredited investors.**



KINGS CASTLE
LIMITED PARTNERSHIP

Why Do We Invest In Apartment Buildings (And Not Office Towers Or Shopping Centers)?

Firstly, high ratio and inexpensive financing around 65% to 75% loan-to-value is available, allowing less cash per property and yielding higher cash-on-cash/investor returns. This greater ease in obtaining financing is a reflection of the lower risk nature of the asset class.

Secondly, there is very strong demand for affordable rental properties in the regional economies we focus on. Major infrastructure projects, new factories, oil and gas projects, and expanding businesses/colleges are luring workers, students and seniors alike into these areas with new post-recession job opportunities, decent wages, low



taxes, and affordable rents. Against this backdrop of in-migration and expected mortgage rate increases, renting is the economic choice for many blue collar workers, seniors and college students who cannot afford to take on ownership costs like utilities, condo fees and/or mortgage carrying costs.

This compares favourably to shopping centres and office towers that are at greater risk for lower lease rates and higher vacancies resulting from economic uncertainty, plus significantly higher mortgage rates, yielding far lower cash-on-cash returns.

Additional Investment Features

The Kings Castle LP investment is also RRSP and TFSA eligible, allowing your retirement funds to participate in cash-flow and equity growing real estate with low risk and exceptional yields. Ongoing cash-flow from operations, "automatic" value increase through inflation, reduced vacancies in a tightening rental universe, and mortgage pay-down are further incentives. Plus, we pursue multiple avenues for investor return:

- 1) Our Prestigious Value Improvement Chain increases asset values through property enhancements, upgrades outside and in-suite, impeccable management, and better marketing.
- 2) Condo conversions for a small, select subset of our portfolio, primarily buildings with many 2 and 3 bedroom suites in superior locations.
- 3) Special opportunities that arise from time to time, such as land development or commercial assets, but never more than 25% of funds raised.

Key Reasons To Invest With Us

1. No lift on going-in prices of assets, unlike many syndicators
2. Undervalued asset class (apartment buildings) with significant rental and equity upside
3. Excellent ROI with optional quarterly cash-flow
4. Proven, rock-solid track record: 10+ years
5. We share in the profits only after investors have received their initial investment back
6. Ethical stewardship
7. Proven, experienced management team
8. Low soft costs/overhead – strong incentive to perform
9. Become a landlord/co-owner- without the hassles
10. RRSP and TFSA eligible

Investment Highlights

PARTNERSHIP SIZE/SUBSCRIPTION

- Target raise of \$15 million.
- Eleven founding limited partners, including the four shareholder General Partners of Prestigious Properties have invested \$520,000 to start this Limited Partnership.
- Each Limited Partnership unit is sold for \$5,000; minimum of 2 units (\$10,000) as a cash, RRSP or TFSA investment.
- Over \$9 million has been raised as of May 2014, with approximately \$8M invested to date.

INVESTMENTS

- The Partnership will invest in Class B multi-family apartment buildings in growth markets such as Alberta, BC, and Saskatchewan.
- Up to 25% of the investment may be outside of multi-family apartment buildings, such as residential land development.
- Currently owns assets valued at approximately \$21M. (See next page for details)

PROPERTIES OWNED

- "Castleview Park Apartments" - 120 units in Calgary, AB (25% interest)
- "Hawkwood Manor" - 18 units in Red Deer, AB
- Land Parcel - Cold Lake, AB - Approximately 290 acres of development land (co-owned)
- "Castle Harbour" - 71 units in Edmonton, AB
- "Spruce Vale Place" - 18 units in Red Deer, AB

LEVERAGE

- The Partnership will typically use 65% to 75% leverage of the property purchase price.

INVESTMENT TERM

- Minimum of 5 years.

INVESTMENT LIQUIDITY

- The Partnership will allow redemption of Partnership units, regardless of the reason (subject to restrictions as outlined in the Offering Memorandum). There is a decreasing penalty to redeem your investment before 5 years from the initial investment.

TARGET INVESTOR RETURN

- Target 10%+ annual return over minimum 5 year investment delivered from:
 - 5% annual cash flow paid quarterly, OR
 - 6% annual DRIP (Distribution Reinvestment Plan)
 - PLUS, growth potential in Unit Value

GEOGRAPHIC DIVERSIFICATION

- The asset portfolio provides investors exposure to multi-family markets in Western Canada.
- Reduces the Partnership's dependency on any one province or state's economy and enhances the potential for consistency in appreciation and future earnings.
- The General Partner intends to acquire properties in stable and high growth markets that exhibit strong demographic trends, population growth, job growth and restricted supply.



INVESTMENT OBJECTIVE

- Invest in value-added and stabilized multi-family assets and capitalize on under-valued assets with upside.
- To preserve, protect and grow the investor's initial investment.
- Appreciation, mortgage paydown and positive cash-flow to be realized and distributed periodically upon liquidity events and upon liquidation of the partnership.

EXPERIENCED MANAGEMENT TEAM

- The Partnership's principals and management team are comprised of a unique blend of entrepreneurial spirit, financial industry experience, plus public and industry corporate executive tenures. Together they have over 75 years combined experience in the real estate industry, and currently own and operate revenue-producing real estate worth over \$100 million and have transacted over \$175M in assets over the last decade.

PROVEN TRACK RECORD

- See detailed Track Record document or go to our website for more info.
- Over 30 projects successfully completed to-date.

PROFIT SHARING

- STEP 1: 100% of all cash distributions will be sent back to investors until they have received an amount equal to their initial capital contribution; then
- STEP 2: 60% to Investors and 40% to Prestigious Properties, until investors have received a 100% return on their original investment; then
- STEP 3: 40% to Investors and 60% to Prestigious Properties

FEES

The Limited Partnership (LP) pays fees as follows:

- An 8% commission on funds raised paid to Exempt Market Dealers (EMDs)
- A one time 1% admin fee on all investment funds raised
- A one time 1% acquisition fee on new assets purchased
- An annual 0.5% asset management fee on assets owned
- A refinance fee of 0.7% on the mortgage amount refinanced
- The partners of the General Partnership do not receive any salaries
- Please refer to the Offering Memorandum for all details

INVESTOR PROTECTION

- General Partners (GP) sign all required personal guaranties for mortgages.
- General Partners (GP) are motivated to protect investors because they receive the bulk of their profits through their equity share, which is only paid out after investors' initial investments have been returned to them. This generally takes a few years to happen and compares favourably to a classic hedge fund model where profits are distributed to managers annually, encouraging high risk/immediate return investing on your behalf. Should the fund collapse the following year, the net result can be that managers still walk away with huge fees the previous year and you still lose all your money as has happened to many in the 2008 stock market crash!
- Investor's total liability is limited to their investment.



Property Investment Profiles:

HAWKWOOD MANOR

RED DEER, AB - 18 UNITS

Leverage	71% Mortgage
Going In Price	1,750,000
Mortgage	1,250,000
Cash-to-Mortgage	500,000
Reserve + Closing Cost + Upgrades	210,978
Total Cash Required	710,978
Cash Flow Year 1	12,390
Cash Flow Year 2	85,050
Cash Flow Year 3	89,289
Cash Flow Year 4	93,655
Cash Flow Year 5	98,152
Cash Flow Year 6	102,784
Mortgage By End Of Year 6	1,125,000



Area Description: Rated as a top investment town in Alberta by REIN (Real Estate Investment Network) in fall 2012, Red Deer is centrally located between Calgary and Edmonton. Red Deer's population continues to experience higher than average growth as a result of the expanding oil & gas service industry centrally located in the community.

Building Description: Hawkwood Manor is a 3 storey, low rise apartment buildings totalling 18 units located in downtown Red Deer. The building was constructed in 1971. All units are 2 bedroom and floor plans average 780 sq ft. Exterior siding, brick, roof, balcony and deck improvements were completed in 2002 & 2003. The property was condo converted to individual titles in 2003.

The Opportunity/Upside: Going-in rents were below market. Existing 2 bedroom units were rented for \$745 to \$895/month. With interior unit upgrades of

TARGET ROI ANALYSIS - PROJECTED BUILDING VALUE IN 5 YEARS

*Equity Growth For Investor (60/40 split)

CONSERVATIVE (3% per year)	\$2,028,730
Total Cash Flow + Equity*	342,773
ROI On Cash Invested	48.2%
EXPECTED (4% per year)	\$2,180,818
Total Cash Flow + Equity*	434,026
ROI On Cash Invested	61.0%
POSSIBLE (5% per year)	\$2,233,493
Total Cash Flow + Equity*	465,631
ROI On Cash Invested	65.5%

\$5,000 to \$10,000 per unit and select common area hallway upgrades, the rents for these 2 bedroom units were increased to \$950 to \$995/month within 12 months. The property was appraised in January 2014 for \$2,275,000 and was re-financed in February 2014 with a new 5 year \$1,625,000 mortgage with an interest rate of 4.1%.

SPRUCE VALE PLACE

RED DEER, AB - 18 UNITS

Leverage	85% Mortgage
Going In Price	1,890,000
Mortgage	1,600,000
Cash-to-Mortgage	290,000
Reserve + Closing Cost + Upgrades	194,117
Total Cash Required	484,117
Cash Flow Year 1	35,092
Cash Flow Year 2	26,934
Cash Flow Year 3	30,815
Cash Flow Year 4	34,812
Cash Flow Year 5	38,929
Cash Flow Year 6	43,169
Mortgage By End Of Year 6	1,391,910



Area Description: Rated as a top investment town in Alberta by REIN (Real Estate Investment Network) in fall 2012, Red Deer is centrally located between Calgary and Edmonton. Red Deer's population continues to experience higher than average growth as a result of the expanding oil & gas service industry centrally located in the community.

Building Description: Spruce Vale Place is a 2.5 storey, low rise apartment buildings totalling 18 units located in downtown Red Deer. The building was constructed in 1978. 17 units are 2 bedroom and floor plans average 860 sq ft. The property was condo converted to individual titles in 2003..

The Opportunity/Upside: Current rents are below market. Existing 2 bedroom units are rented for \$865 to \$895/month. With interior unit upgrades of \$5,000 to \$10,000 per unit and select common area hallway

TARGET ROI ANALYSIS - PROJECTED BUILDING VALUE IN 5 YEARS

*Equity Growth For Investor (60/40 split)

CONSERVATIVE (3% per year)	\$2,191,028
Total Cash Flow + Equity*	288,950
ROI On Cash Invested	59.7%
EXPECTED (4% per year)	\$2,355,284
Total Cash Flow + Equity*	387,504
ROI On Cash Invested	80.0%
POSSIBLE (5% per year)	\$2,412,172
Total Cash Flow + Equity*	421,637
ROI On Cash Invested	87.1%

upgrades, the rents for these 2 bedroom units will be increased to \$950 to \$995/month within 12 months, at which time we plan to re-finance our existing one year open mortgage with a new fixed mortgage.

CASTLEVIEW PARK APARTMENTS

CALGARY, AB - 120 UNITS (Kings Castle LP owns a 25% undivided interest)

Leverage	70% Mortgage
Going In Price	14,650,000
Mortgage	10,065,000
Cash-to-Mortgage	4,585,000
Reserve + Closing Cost + Upgrades	1,095,196
Total Cash Required	5,680,196
Cash Flow Year 1	137,220
Cash Flow Year 2	246,450
Cash Flow Year 3	273,171
Cash Flow Year 4	300,695
Cash Flow Year 5	329,044
Mortgage By End Of Year 5	9,058,500



Area Description: Rated as the top investment city in Canada by REIN (Real Estate Investment Network), with a 2011 population of 1,214,839, Calgary is the 5th-largest metropolitan area in Canada. It continues to grow beyond its reputation as the centre of the oil & gas industry. Between 2004-2008 real estate prices went beyond what we considered reasonable for **high-yield** short to medium term investments. Greatly improved real estate market fundamentals put Calgary back on our purchasing radar in 2010.

Building Description: Four low-rise apartment buildings totaling 120 units and spread over 3.73 acres. The buildings were constructed in 1981. Floorplans average 646 sq. ft for one bedroom units and 824 sq.ft for two bedrooms. Exterior siding and roof facing improvements were completed in 2002. Built as a condo building with dishwasher and laundry hookups in each unit.

TARGET ROI ANALYSIS - PROJECTED BUILDING VALUE IN 5 YEARS

*Equity Growth For Investor (60/40 split)

CONSERVATIVE (3% per year)	\$16,983,365
Total Cash Flow + Equity*	2,118,750
ROI On Cash Invested	37.3%
EXPECTED (4% per year)	\$17,823,965
Total Cash Flow + Equity*	2,623,110
ROI On Cash Invested	46.2%
POSSIBLE (5% per year)	\$18,697,525
Total Cash Flow + Equity*	3,147,246
ROI On Cash Invested	55.4%

The Opportunity/Upside: Going-in rents were below market. 1 bedroom units were rented for approximately \$850/month and 2 bedroom units rented for approximately \$1050/month. Vacant 1 bedroom units are now being rented for \$1,200/month and 2 bedroom units for \$1,400/month.

UPDATE: Above is a good example of our prudent approach to ROI forecasting prior to purchase, often yielding higher than expected returns.

After purchasing in December 2010 for \$14.65 million we received a written 3rd party appraisal in January 2012 for \$16.6 M, almost \$2M over the purchase price. An offer to purchase for \$19,800,000 was received in fall 2012, however, we declined. We felt market value was higher.

The property appraised for \$20,400,000 in January 2014 which means we have already achieved over 100% of our forecasted building value target.

LAND PARCEL

COLD LAKE, AB

Area Description: Cold Lake is already Canada's largest producer of in situ oil sands production using SAGD (Steam Assisted Gravity Drainage) technology, which is a more environmentally friendly extraction approach industry and government are now focused on, and in Feb 2012 Imperial Oil announced a \$2 billion expansion of its Cold Lake project. The expansion will include a new steam generation plant and bitumen-processing facility. Cold Lake is also home to Canada's most active air force fighter base, with a large weapons range.

From 2001-2006 the population increased by 4.1%, but from 2006-2011 it increased 15.4%, nearly 4x faster. Now with the major economic expansions announced in the last couple of years, an already impressive expansion rate is expected to go even higher.

What was not long ago a town of around 10,000 now approaches 15,000-- a fact not lost on big retailers like Wal-Mart, Canadian Tire, Boston Pizza and the like, who have all recently set up shop here. Subdivision development and house prices are the talk of the town.

Land Description: On the edge of a main road through town, we own approximately 290 acres, most of it sloped towards the water of Cold Lake itself, which is less than 1/4 mile away. Current zoning with the IDP (Intermunicipal Development Plan) permits 300 1/2 acre lots. This IDP would also allow for water/sewer servicing capability for lower density acreage lots or higher density duplex or townhouse lots. The 300 lot ASP (area structure plan) is approved as depicted. We may ask for amendment for an even better business case.

The Opportunity/Upside: House prices are already now higher than in Edmonton; around \$425,000 for a 3 BR detached, and our land parcel is situated in one of the most desirable places for subdivision development.

Kings Castle LP and our previous LP (PRISM A) together have committed \$2 million as an investment in this land. Estimated retail value is between \$50-\$65 M, about 6x the total anticipated cash investment of \$8 M. This leaves us with a tremendous amount of financial breathing room and profit potential on a piece of land primed for development in a city in economic overdrive.

The first Phase of the subdivision, comprised of 33 half to three quarter acre lots, was conditionally approved by the MD of Bonnyville in March 2014.

As we get closer to development over the next few years we may raise cash via a dedicated LP in 2014.

It Takes A Variety of Expertise To Successfully Complete 30 Projects To Date



THOMAS BEYER
President

MBA from U of Alberta, BSc from Technical University of Munich. 8 year career with IBM and 6 years with small software consulting firm as a project manager/lead executive, real estate portfolio and asset management since 1997. Founded Prestigious Properties in 2000.



SCOTTY GRUBB
Senior VP

Has played key roles in the financing and operations of numerous public and private companies over the past 30 years. He completed his engineering education in Scotland before immigrating to Canada in 1968.



MIKE HAMMERLINDL
VP Asset Acquisitions

Civil Engineering degree from U of Alberta, focused on structural design. Certified Commercial Investment Member (CCIM) and CFA charterholder. Experience working for a municipal consultant, architect, and gas utility and has also been involved in several entrepreneurial ventures.



RICK LINKLATER
CPM/VP Asset Management

B.Comm from U of Alberta. Has had a successful career with large insurance firms, private property managers and a publicly traded real estate firm for over 30 years.



KEITH MCMULLEN: PRESIDENT
Fireside Property Group

With previous positions at Gateway, the largest property management firm in Canada, and Transglobe, Canada's 3rd largest apartment building owner, Keith has the real-world experience to oversee this critical component of our business model. Keith is also Past President of the Calgary Residential Rental Association.



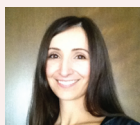
MICHELLE NAFFIN
Senior Corporate Accountant

Michelle established exemplary credentials as an accountant and controller both in the Hospitality and Publishing Industries prior to joining us 2008.



MARIANNE ENGEL
Office Manager

With us since 2005 Marianne manages a wide range of essential corporate services, from bookkeeping to investor distributions, security filings and tax preparation.



DENISE ODAM
Executive Assistant

An accomplished Executive Assistant, Denise joined us in 2012 and is the essential administrative link between corporate operations and investors. She is an adept interface to the RRSP trustee.



CHRISTINE KOPR
Business Development

Investor Relations experience in the Public Markets. Joined us in 2013 to focus on Business Development and Investor Relations and is the essential link to Exempt Market Dealers (EMDs) and their Dealing Representatives (DRs).

Property Investment Profiles (Cont.):

CASTLE HARBOUR

EDMONTON, AB - 71 UNITS

Leverage	75% Mortgage
Going In Price	10,650,000
Mortgage	7,987,500
Cash-to-Mortgage	2,662,500
Reserve + Closing Cost + Upgrades	738,022
Total Cash Required	3,400,522
Cash Flow Year 1	105,565
Cash Flow Year 2	165,270
Cash Flow Year 3	185,567
Cash Flow Year 4	206,473
Cash Flow Year 5	228,006
Cash Flow Year 6	250,185
Mortgage By End Of Year 6	6,948,673



Area Description: Rated as one of the top investment communities in Alberta by REIN (Real Estate Investment Network) in 2013, Edmonton's real GDP and population growth are projected to lead the nation in 2014. Capital projects in the oil & gas industries are projected to rise substantially over the next few years.

TARGET ROI ANALYSIS - PROJECTED BUILDING VALUE IN 5 YEARS

*Equity Growth For Investor (60/40 split)

CONSERVATIVE (3% per year) \$12,346,269

Total Cash Flow + Equity*	1,732,773
ROI On Cash Invested	51.0%

EXPECTED (4% per year) \$13,271,838

Total Cash Flow + Equity*	2,288,115
ROI On Cash Invested	67.3%

POSSIBLE (5% per year) \$13,592,399

Total Cash Flow + Equity*	2,480,451
ROI On Cash Invested	72.9%

Building Description: Castle Harbour is a 4 storey, low rise apartment buildings totalling 71 units located in the Castle Downs area of North Edmonton, a few blocks East of Lake Beaumaris. The building was constructed in 1980. The suite mix is 67 - 2 bedroom units, 3 - 1 bedroom units, and a single bachelor unit. The unit sizes are above average with 2 bedroom units averaging 925 sq ft. Exterior stucco siding recently replaced in 2008 and roof was reshingled in 1999.

The Opportunity/Upside: Current rents are significantly below market. Existing 2 bedroom units are rented in the \$900/month range which is 25%+ below market rates for the area. With select interior and common area upgrades, the rents for these 2 bedroom units will be increased to approximately \$1,150/month within 6-12 months, at which time we plan to re-finance our existing one year open mortgage with a new 5 year fixed mortgage.

As of May 2014, the rent for over 50 - 2 bedroom units has already been increased to \$1,150/month with very little tenant turnover.

10+ Years Of Growth & Stability

\$46,000,000 Invested By Over 600 Investors, With Assets Now Worth Over \$100,000,000

Besides the five owned assets (interest in 120 unit building in Calgary, land in Cold Lake and 71 unit building in Edmonton and two 18 unit buildings in Red Deer). Several acquisitions in Alberta and Saskatchewan are being actively investigated for acquisition in 2014. We offer the majority of all profits to investors, after you have received all your money back and we take only a very small, profit-independent management fee. All investors have the option to receive quarterly cash flow or receive additional LP units through a DRIP (Distribution Reinvestment Plan). Please note: Returns while achieved in the past and deemed reasonably reliable for the next few years, are not guaranteed. This is not a solicitation for investment. Investments are sold via offering memorandum only, which you should read carefully before investing. Eligible and/or accredited investors only (depending on province). Please contact us to receive an offering memorandum. The current minimum investment is \$10,000 as a cash, RRSP or TFSA investment.

Look for more details with detailed building data on our website.

Past performance is not a guarantee for future success – and not a guaranteed return. Sold via offering memorandum only.

ACT NOW! Other investments have sold out quickly, so please call us for a detailed investor kit with all the necessary paperwork. Let the law of supply and demand work for you... inside or outside your RRSP.



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