

# Business Loan Credit Agreement

May 2, 2017

Prestigious Properties MHP Limited Partnership  
912, 743 Railway Avenue  
Canmore, Alberta  
T1W 1P2

We, Alberta Treasury Branches operating as ATB Financial ("ATB"), have approved and are pleased to offer You the following new credit facilities and/or extension of existing credit facilities, if applicable, as follows (each referred to as a "Credit Facility" and collectively as "Credit Facilities"):

**Credit Facility Type:** ATB-BDC Joint Term Loan



**In July 2016, ATB and the Business Development Bank of Canada ("BDC") approved a joint loan program to provide entrepreneurs and small to medium sized businesses in Alberta greater access to financing. This Credit Facility is provided under that program and will be funded equally by ATB and BDC.**

**Industry:** Business

**Credit Facility Number:** 1

**Purpose:** To assist with the purchase of a Mobile Home Park in Drayton Valley, Alberta

**Term Loan Amount:** \$425,250.00

**Interest Rate:**

Variable Interest Rate: Prime plus 1.00% per annum

**Draws:** This Credit Facility

Is available in one draw(s) on or before October 31, 2017. Unless approved by ATB, in writing, any draw not taken by that date will be cancelled and no longer available to You.

**Payment Type:** Blended

**Payments:**

Blended consecutive payments of \$2,200.00 will be due and payable on the last day of each month, commencing on the First Payment Date through and including the Maturity Date.

**Amortization Period:** 300 months

**First Payment Date :** No more than 45 days after the date of the initial advance.

**Maturity Date:** April 30, 2018

Payment may be debited from Transit #: 810 Account #: 00782326600

**ATB-BDC Joint Term Loan Specific Conditions (in addition to ATB's other standard terms and conditions set forth in this Credit Agreement):**

- (a) References to ATB, Lender, Us, We and the like throughout the Credit Agreement shall be deemed to include BDC as appropriate;
- (b) ATB will administer the ATB-BDC Joint Term Loan on behalf of itself and BDC, and all payments that You make in connection with the ATB-BDC Joint Term Loan will be paid to ATB and then allocated between the two lenders;
- (c) Upon maturity of the ATB-BDC Joint Term Loan, the matured amount outstanding will be immediately payable, in full, by You to ATB and BDC, without demand;
- (d) The ATB-BDC Joint Term Loan shall be paid in priority to all other Credit Facilities provided to You by ATB, except for revolving lines of credit;

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- (e) ATB and BDC are authorized to receive and exchange information related to the Credit Facilities between themselves and are also expressly authorized to exchange, obtain and retain any information provided by a credit reporting agency, a credit bureau or any other person that You have or may in the future have financial dealings;
- (f) It will be an event of default on the ATB-BDC Joint Term Loan if You are in default of any other obligation owed to ATB; and
- (g) ATB and BDC shall be at liberty to assign their interest in the ATB-BDC Joint Term Loan, together with their interest in any monies payable in connection with that ATB-BDC Joint Term Loan, including any security documents related to the ATB-BDC Joint Term Loan, without Your consent.



**Credit Facility Type:** ATB-BDC Joint Term Loan

**In July 2016, ATB and the Business Development Bank of Canada ("BDC") approved a joint loan program to provide entrepreneurs and small to medium sized businesses in Alberta greater access to financing. This Credit Facility is provided under that program and will be funded equally by ATB and BDC.**

**Industry:** Business

**Credit Facility Number:** 2

**Purpose:** To assist with the purchase of a Mobile Home Park in Rocky Mountain House, Alberta

**Term Loan Amount:** \$2,740,500.00

**Interest Rate:**

Fixed Interest Rate: 3.85% per annum

**Draws:** This Credit Facility

Is available in one draw(s) on or before October 31, 2017. Unless approved by ATB, in writing, any draw not taken by that date will be cancelled and no longer available to You.

**Payment Type:** Blended

**Payments:**

Blended consecutive payments of \$14,250.00 will be due and payable on the last day of each month, commencing on the First Payment Date through and including the Maturity Date.

**Amortization Period:** 300 months

**First Payment Date :** No more than 45 days after the date of the initial advance.

**Maturity Date:** May 31, 2022

Payment may be debited from Transit #: 810 Account #: 00782326600

**ATB-BDC Joint Term Loan Specific Conditions (in addition to ATB's other standard terms and conditions set forth in this Credit Agreement):**

- (a) References to ATB, Lender, Us, We and the like throughout the Credit Agreement shall be deemed to include BDC as appropriate;
- (b) ATB will administer the ATB-BDC Joint Term Loan on behalf of itself and BDC, and all payments that You make in connection with the ATB-BDC Joint Term Loan will be paid to ATB and then allocated between the two lenders;
- (c) Upon maturity of the ATB-BDC Joint Term Loan, the matured amount outstanding will be immediately payable, in full, by You to ATB and BDC, without demand;
- (d) The ATB-BDC Joint Term Loan shall be paid in priority to all other Credit Facilities provided to You by ATB, except for revolving lines of credit;
- (e) ATB and BDC are authorized to receive and exchange information related to the Credit Facilities between themselves and are also expressly authorized to exchange, obtain and retain any information provided by a

credit reporting agency, a credit bureau or any other person that You have or may in the future have financial dealings;

- (f) It will be an event of default on the ATB-BDC Joint Term Loan if You are in default of any other obligation owed to ATB; and
- (g) ATB and BDC shall be at liberty to assign their interest in the ATB-BDC Joint Term Loan, together with their interest in any monies payable in connection with that ATB-BDC Joint Term Loan, including any security documents related to the ATB-BDC Joint Term Loan, without Your consent.



**Credit Facility Type:** ATB-BDC Joint Term Loan

**In July 2016, ATB and the Business Development Bank of Canada ("BDC") approved a joint loan program to provide entrepreneurs and small to medium sized businesses in Alberta greater access to financing. This Credit Facility is provided under that program and will be funded equally by ATB and BDC.**

**Industry:** Business

**Credit Facility Number:** 3

**Purpose:** To assist with the purchase of a Mobile Home Park in Eckville, Alberta.

**Term Loan Amount:** \$1,559,250.00

**Interest Rate:**

Fixed Interest Rate: 3.50% per annum

**Draws:** This Credit Facility

Is available in one draw(s) on or before October 31, 2017. Unless approved by ATB, in writing, any draw not taken by that date will be cancelled and no longer available to You.

**Payment Type:** Blended

**Payments:**

Blended consecutive payments of \$7,825.00 will be due and payable on the last day of each month, commencing on the First Payment Date through and including the Maturity Date.

**Amortization Period:** 300 months

**First Payment Date :** No more than 45 days after the date of the initial advance.

**Maturity Date:** May 31, 2020

Payment may be debited from Transit #: 00782326600 Account #: 00782326600

**ATB-BDC Joint Term Loan Specific Conditions (in addition to ATB's other standard terms and conditions set forth in this Credit Agreement):**

- (a) References to ATB, Lender, Us, We and the like throughout the Credit Agreement shall be deemed to include BDC as appropriate;
- (b) ATB will administer the ATB-BDC Joint Term Loan on behalf of itself and BDC, and all payments that You make in connection with the ATB-BDC Joint Term Loan will be paid to ATB and then allocated between the two lenders;
- (c) Upon maturity of the ATB-BDC Joint Term Loan, the matured amount outstanding will be immediately payable, in full, by You to ATB and BDC, without demand;
- (d) The ATB-BDC Joint Term Loan shall be paid in priority to all other Credit Facilities provided to You by ATB, except for revolving lines of credit;
- (e) ATB and BDC are authorized to receive and exchange information related to the Credit Facilities between themselves and are also expressly authorized to exchange, obtain and retain any information provided by a credit reporting agency, a credit bureau or any other person that You have or may in the future have financial dealings;

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- (f) It will be an event of default on the ATB-BDC Joint Term Loan if You are in default of any other obligation owed to ATB; and
- (g) ATB and BDC shall be at liberty to assign their interest in the ATB-BDC Joint Term Loan, together with their interest in any monies payable in connection with that ATB-BDC Joint Term Loan, including any security documents related to the ATB-BDC Joint Term Loan, without Your consent.

**Security:** You pledge the following as general and continuing Security for the due payment and performance of all of Your debts, liabilities and obligations to ATB, howsoever arising, including, without restriction, present and future, absolute and contingent, direct and indirect debts, liabilities and obligations owing by You to ATB:

To be taken

- **General Security Agreement (Borrower):**
  - providing a security interest over all present and after-acquired personal property

- **Real Property (Land) Mortgage (Borrower):**

Legal Description	Principal Sum	Position
Plan 5935HW Block 11 Lot A, Plan 8822031 Block 7 Lot 36, Plan 8920768 Block 20 Lot 10	\$4,725,000.00	1 <sup>st</sup>

- **Other Security (Borrower):**
  - General Assignment of Leases and Rents, to be registered by way of Caveat at Land Titles Office
- **Continuing Guarantee and Postponement of Claim from Thomas Beyer** limited to \$2,362,500.00
- **Continuing Guarantee and Postponement of Claim from Prestigious Properties MHP General Partnership** limited to \$4,725,000.00, further supported by the following:
  - **General Security Agreement (Guarantor):**
    - providing a security interest over all present and after-acquired personal property
  - **Other Security (Guarantor):**
    - Corporate Guarantee Resolution

The security documents are to be registered in the following jurisdictions: Alberta

**Fees:** You acknowledge that the fees associated with these Credit Facilities include, without restriction:

- Application Fee of \$18,900.00
- Without limiting ATB's rights by virtue of such default, a non-refundable fee of:
  - \$250.00 per reporting period for late delivery by You to ATB of annual financial statements.
- Non-refundable fee of \$ 45.00 for each NSF or dishonoured payment made by You to ATB

**Prime:** ATB's Prime as of this date is 2.70 % per annum

**Conditions:**

You and the Guarantor(s), if any, jointly and severally agree:

- (a) to pay to ATB, when due, all amounts owing by You to ATB under this Credit Agreement, including, without restriction, principal, interest, fees and other sums, as specified herein;
- (b) to pay to ATB, on demand, all legal and other costs incurred by ATB in respect of the above Credit Facilities, including, without restriction, for the preparation, registration and realization on the Security and collection of the indebtedness, all with legal costs on a solicitor and its own client, full indemnity basis;
- (c) to be bound by the terms and conditions outlined in:
  - (i) the Business Loan Credit Agreement Standard Terms and Conditions, and
  - (ii) Appendix "A" to this Credit Agreement;

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- (d) that funds under this Credit Agreement will not be available until the disbursement conditions set forth at Appendix "B" of this Credit Agreement are met to ATB's satisfaction, unless waived by ATB, in writing; and
- (e) that upon maturity of each Credit Facility, the respective matured amount outstanding will be immediately payable, in full, by You to ATB, without demand.

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**Review Date:**



All of these Credit Facilities are demand in nature and are subject to review by ATB on an annual basis or at any other time in ATB's sole discretion. The next Review Date is scheduled for April 30, 2018.

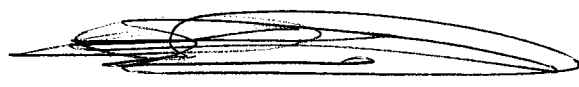
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If You are in agreement with this offer, including the conditions listed in Appendices "A" and "B" below together with the terms and conditions detailed in the Business Loan Credit Agreement Standard Terms and Conditions, then please return a signed copy of this Credit Agreement to ATB. If ATB does not receive such signed copy within 30 days from the date first set out above in this communication, then this offer will automatically expire. Acceptance of this Credit Agreement does not replace any existing commitment letter or credit agreement between You and ATB, and the obligations under this Credit Agreement are not a substitution for the obligations under any existing commitment letter or credit agreement between You and ATB, except as expressly provided herein. The Security under any existing commitment letter or credit agreement shall continue to secure the respective obligations.

ATB reserves the right to cancel this offer any time prior to acceptance. If You have any questions or concerns, please feel free to contact us.

Yours truly,  
Alberta Treasury Branches

   
\_\_\_\_\_  
Colin Mostert  
Relationship Manager  
403-609-6442  
Canmore Branch, 104 – 1240 Railway Avenue, Canmore, Alberta T1W 1P4

  
\_\_\_\_\_  
James Bladon  
Business Development Manager  
403-767-4043  
Suite 600,444, 7<sup>th</sup> Avenue SW, Calgary, AB, T2P 0X8


**Acceptance and Acknowledgement:**

By signing below, I (we) certify that all information provided to ATB is complete and accurate, that the terms of the Credit Facilities are accepted, and that I (we) have received, read and understood this Business Loan Credit Agreement, complete with its appendices and schedule (Business Loan Credit Agreement Standard Terms and Conditions). The individual(s) executing this Credit Agreement represent and warrant to ATB that he/she is, or they are (as applicable), authorized to execute this Credit Agreement on behalf of the borrowing entity (ies).

This Credit Agreement can be executed by you electronically, and you may deliver it to ATB by facsimile, email or other functionally-equivalent means of transmission.

**Borrower(s)**

Prestigious Properties MHP Limited Partnership


  
\_\_\_\_\_  
Per:

Date Accepted: May 3, 2017

  
\_\_\_\_\_  
Per:


Date Accepted: **May 3, 2017**

**Guarantor(s)**

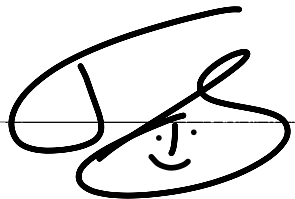
  
\_\_\_\_\_  
Thomas Beyer

Date Accepted: **May 3, 2017**

Prestigious Properties MHP General Partnership

  
\_\_\_\_\_  
Per:

Date Accepted: May 3, 2017

  
\_\_\_\_\_  
Per:

Date Accepted: **May 3, 2017**

## **Appendix A**

### **The Borrower also agrees to the following:**

- Within 120 days after its fiscal year end, to provide ATB with its unconsolidated financial statements on a notice to reader basis, prepared by a firm of qualified accountants and signed by the appropriate officer
- To provide to ATB any information regarding assets, operations and financial conditions that ATB may from time to time request
- Within 120 days after its fiscal year end, to provide ATB with its rent roll for each property to be provided
- Within 120 days after its fiscal year end, to provide ATB with its, a detailed breakdown of income and expenses for each property pledged as security to ATB
- Within 120 days after its fiscal year end, to provide ATB with its written confirmation that property taxes and appropriate fire insurance is current
- Annually, written detailed list of repairs/maintenance/replacements completed each year including a detailed list of the costs for all the repairs/maintenance/replacements completed for each property pledged as security to ATB. This report is to make reference to any items detailed in Pinchin West Ltd. BPCA issued January 2017
- Except as permitted under the Credit Agreement, to not sell, lease or otherwise dispose of any of its assets with an aggregate fair market value exceeding \$10,000.00
- To not permit its Debt Service Coverage Ratio to be less than 1.25 : 1.00
- "Cash Flow Available to Service Debt" means, in respect of Borrower for any fiscal year, the Net Operating Income Pertaining to the Property determined in accordance with GAAP
- "Debt Service Coverage Ratio" means, for any fiscal year, the ratio of:
  - (a) The Net Operating Income Pertaining to the Property in such fiscal year, determined in accordance with GAAP, to
  - (b) The scheduled principal and interest payments required during such fiscal year relating to the Property debt
- "Net Operating Income Pertaining to the Property" means the income generated by the property before income taxes, depreciation, amortization, property management fees, or interest, LESS miscellaneous income and a 5% property management fee
- "Property" means, the lands and buildings legally described as Plan 5935HW, Block 11, Lot A and municipally located at 5309 52nd Street, Drayton Valley; legally described as Plan 8822031, Block 7, Lot 36 and municipally located at 5311 60th Street, Rocky Mountain House; and legally described as Plan 8920768, Block 20, Lot 10 and municipally located at 5823 52nd Street, Eckville
- Potential Sale of MHP and/or Partial Discharge: If one of the sites were sold during the term of financing, ATB would release to Borrower any excess funds above the amount required to pay down the existing mortgage to a level were the DSCR and LTV are within the aforementioned guidelines as calculated by ATB

### **The Guarantor also agrees to the following:**

- Within 120 days after its fiscal year end, to provide ATB with its updated personal net worth statement of the Personal Guarantor on ATB Form
- To provide to ATB any information regarding assets, operations and financial conditions that ATB may from time to time request

## **Appendix B**

### **Disbursement Conditions:**

Before the Credit Facilities are advanced or extended, as applicable, ATB must be in receipt of the following records with respect to the Borrower and Guarantor, each in form and content satisfactory to ATB:

- Security outlined in this Credit Agreement to be registered in the following jurisdictions:
  - Alberta
- Security outlined in this Credit Agreement, to be prepared by:
  - Legal Counsel: Michael Morcom of Miller Thomson LLP at 700 9th Avenue SW, Calgary, Alberta T2P 3V4
- Borrower's Counsel: Jamie D. Stewart of Stewart Law Group at 1001 6th Avenue, Canmore, Alberta T1W 3L8
- Corporate Records
- Banking resolution in form provided by ATB or otherwise acceptable to ATB
- Credit Information and Alberta Land Titles Office Name Search Consent form
- Sunlife Assurance Company of Canada Group Creditor's Life Insurance Application (or Waiver)
- Transmittal Letter from Acumen Real Estate Valuation Inc. over the properties located at 5309 52nd Street, Drayton Valley, 5311 60th Street, Rocky Mountain House and 5823 52nd Street, Eckville, Pre-disbursement
- Transmittal Letter from Pinchin West for Phase I/II and Baseline Property Condition Assessment over the properties located at 5309 52nd Street, Drayton Valley, 5311 60th Street, Rocky Mountain House and 5823 52nd Street, Eckville, Pre-disbursement
- Tax Certificate confirming property taxes are paid to date, Pre-disbursement
- Review of lease and purchase agreement confirming no adverse conditions to ATB, Pre-disbursement
- Solicitor to vet the LP and GP Agreement(s) and provide Solicitor's Opinion Letter on structure proposed, security to be taken, and advise if additional security, guarantees etc. is required to ensure ATB's position and interests are perfected, Pre-disbursement
- Real Property Report (with certificate of compliance) or alternatively, Title Insurance
- Fire and extended coverage insurance policy for the full insurable value of assets, with loss payable to ATB as its interest warrants, containing acceptable mortgage clause
- Universal Lender's Report and Solicitor's Opinion Letter