

Canada Emergency Business Account Application and Loan Agreement

Please make sure you have the 2019 T4 Summary of Remuneration Paid ("T4SUM") information needed to complete this application.

This application constitutes a request by the Borrower to apply for participation in the Program described below on the terms set out herein and on Schedule A attached hereto. Nothing herein commits the Lender to extend any credit to the Borrower until and unless the Borrower is accepted by the Lender in accordance with the terms of the Program. Capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule A hereto. The undersigned Borrower hereby requests the Lender to advance to them a Loan in the Loan Amount set out below upon and subject to the terms and conditions set out herein, and if such application is accepted by the Lender, the undersigned Borrower agrees to be subject to and bound by the terms and conditions of this Agreement.

LENDER INFORMATION

Credit Union Name (full name of the "Credit Union") and Address	Date

BUSINESS INFORMATION

Authorized Signatory (full legal name)	Contact Information for Authorized Signatory (phone, email)
Legal Business Name (the "Borrower")	Business Address (Street, Suite, Province, Postal Code, Country)
15-Digit Business Number or Employer Account Number (appears on T4SUM)	
Total Amount of Employment Income Paid in 2019 (see Box 14 of the 2019 T4SUM)	
Business Account Number (required for transfer into account)	SIC Code

LOAN INFORMATION

Loan Amount	Interest Rate (during Initial Term)	Initial Term Date December 31, 2022
	Interest Rate (during Extended Term)	Extended Term Date December 31, 2025
Frequency of Interest Payments Monthly, on the last day of each month or the next following business day	First Interest Payment Date January 31, 2023	

APPLICATION

The above noted Authorized Signatory, acting alone, hereby confirms as follows: I am authorized by and on behalf of the Borrower to complete this application on its behalf and enter into the Agreement on behalf of the Borrower (as defined below) for support under the Canada Emergency Business Account program (the "Program"). The Authorized Signatory hereby certifies that s/he has reviewed this application dated as of the date noted above, the terms and conditions of the Loan set out in Schedule A, and any applicable on-screen terms, conditions, disclaimers or schedules (collectively, the "Agreement"), and hereby agrees, for on behalf of the Borrower, that the Borrower be bound by the terms of this Agreement, and acknowledges that this Agreement is binding between the Borrower and the Lender. The Authorized Signatory acknowledges that any Loan made hereunder will be made in accordance with the Program and is being instituted and administered by the Lender at the request of and on behalf of Export Development Canada, on behalf of Her Majesty in Right of Canada. The Borrower hereby represents and warrants (and the Authorized Signatory hereby attests) that the Borrower is in compliance with and/or will comply with the eligibility conditions for the Program imposed by the Government of Canada, which are as follows:

- the Borrower is a Canadian business which was in operation as of March 1, 2020;
- the Borrower paid between Cdn.\$20,000 and Cdn.\$1,500,000 in payroll (salaries and wages) in 2019; The Authorized Signatory further acknowledges that the Lender will rely on the accuracy of the representations, warranties and attestations herein in making loans and advances to the Borrower pursuant to the Program, and acknowledges and agrees that an audit may be conducted by the Government of Canada or any of its agents to ascertain the veracity of this attestation and the eligibility of the Borrower under the Program.

In order to verify the eligibility of the Borrower for support under the Program, the Authorized Signatory hereby authorizes Export Development Canada, as a representative of the Borrower with the Canada Revenue Agency, to access any payroll information of the Borrower it may require.

Canada Emergency Business Account Application and Loan Agreement

This application is signed by the Authorized Signatory on behalf of the Borrower as of the date first noted above.

- the Borrower has a federal tax registration which is set out accurately above;
- the Borrower can demonstrate any of the information provided in this Agreement by presenting its 2019 T4 Summary of Remuneration Paid (“T4SUM”) when requested upon audit by the Government of Canada or any of its agents;
- the Borrower shall use the funds provided for under the Loan to pay non-deferrable operating expenses including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and will not use any of the funds provided for under the Loan to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation;
- the Borrower has an active business operating account (the “Business Account”) with the Lender, which is the primary financial institution of the Borrower, and the Business Account was opened on or prior to March 1, 2020;
- the Borrower was not in arrears in respect of existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020;
- the Borrower has not submitted any application or entered into any agreement for support under the Program with the Lender or with any other financial institution, and understands that applying for support under the Program at more than one financial institutions may result in ineligibility under the Program, default under this Agreement, prosecution or other enforcement measures available at law or otherwise;
- the Borrower agrees to participate in post-funding surveys conducted by the Government of Canada or any of its agents;
- the Borrower intends to continue to operate or to resume its operations; and
- the Borrower is not (a) a government organization or body, or an entity owned by a government organization or body; (b) a union, charitable, religious or fraternal organization or entity owned by such an organization, unless the Borrower is a registered T2 or T3010 corporation that generates a portion of its revenue from the sales of goods or services; (c) owned by individual(s) holding political office; and (d) a business that promotes violence, incites hatred or discriminates on the basis of sex, gender, sexual orientation, race, ethnicity, religion, culture, region, education, age or mental or physical disability.

The Authorized Signatory further acknowledges that the Lender will rely on the accuracy of the representations, warranties and attestations herein in making loans and advances to the Borrower pursuant to the Program, and acknowledges and agrees that an audit may be conducted by the Government of Canada or any of its agents to ascertain the veracity of this attestation and the eligibility of the Borrower under the Program.

In order to verify the eligibility of the Borrower for support under the Program, the Authorized Signatory hereby authorizes Export Development Canada, as a representative of the Borrower with the Canada Revenue Agency, to access any payroll information of the Borrower it may require.

This application is signed by the Authorized Signatory on behalf of the Borrower as of the date first noted above.

Borrower Name

X

Authorized Signatory

Date

X

Authorized Signatory

Date

SCHEDULE A
TERMS AND CONDITIONS

1. DEFINITIONS – In this Agreement, the capitalized terms, “Loan Amount”, “Interest Rate”, “First Interest Payment Date”, “Initial Term Date”, “Extended Term Date” and “Frequency of Interest Payments” are as set out in the table above. Other capitalized terms, not otherwise defined in this Agreement, mean:

“**Advance**” has the meaning set out below under “Term Loan”.

“**Electronic Means**” means any communication method permitted by the Lender from time to time including, but not limited to, computer, tablet, telephone, cell phone, smartphone, Internet, email, personal digital assistant, facsimile or other method of telecommunication or electronic transmission;

“**Loan**” means the Advance and all amounts outstanding hereunder including, without limitation, all principal, interest, costs, fees and any expenses incurred in connection with the Loan.

“**Material Adverse Change**” means a change in situation or event producing an effect deemed unfavourable by the Lender on (a) the inherent risk in the financing (b) the situation (financial or other), operations, property or company of the Borrower, (c) the capacity of the Borrower to meet its obligations to the Lender, and (d) the rights and remedies of the Lender hereunder and any related document.

“**Term**” means the period commencing on the date of advance of the Loan and ending on the Initial Term Date (being the “**Initial Term**”) or, the Extended Term Date (being the “**Extended Term**”), as applicable.

2. TERM LOAN – Upon acceptance by the Lender of the application of the Borrower to which this Schedule A is attached, the Lender shall make a single advance (the “Advance”) of a term loan equal to the Loan Amount, which shall be the only advance made under this Agreement.

3. INITIAL TERM – During the Initial Term of the Loan, the Borrower will not be required to repay any portion of the Loan, and no interest shall accrue.

4. EXTENDED TERM – During the Extended Term of the Loan, the Borrower will be required to pay interest on the Loan, on a monthly basis, commencing on the First Interest Payment Date (or such other date as may be determined by the Lender) and thereafter on the last day of each calendar month or the next following business day, as more fully described under “Interest” below. On the Extended Term Date, the Loan shall be due and payable and the Borrower will repay the balance, if any, of the Loan and all other amounts payable hereunder in full.

5. FUNDING – The Advance will be made by depositing the proceeds of the Loan into the Business Account. The Business Account will continue to operate in the normal course and if there is a negative balance in the Business Account, as a result of an overdraft facility or otherwise, the proceeds of the Loan will automatically repay the amount outstanding up to the Loan Amount.

6. PREPAYMENT OF LOAN – The Borrower is permitted to prepay all or any portion of the Loan Amount, without notice, fees or penalty, premium or bonus, at any time during the Term of the Loan.

7. APPLICATION OF PAYMENTS – The Lender may apply payments to any part of the Loan at its sole discretion. If any payment due date falls on a date which is a Saturday, Sunday or statutory holiday, any payment scheduled for that date will not be applied until the business day first following that date. The Lender may debit any account the Borrower maintains with the Lender for any amount owed by the Borrower under this Agreement. If the Borrower is a partnership or, in Quebec, a general partnership, the Lender may debit any account that any of the partners maintains with the Lender for any amount owed by the Borrower under this Agreement. The exercise by the Lender of its right to set-off, granted hereunder or available at law, shall constitute an acknowledgement of the Borrowers indebtedness and liability hereunder.

8. LOAN FORGIVENESS FOR EARLY REPAYMENT – If the Borrower repays 75% to the Lender or more of the Loan Amount on or prior to the Initial Term Date, the Lender will forgive the remaining balance of the Loan as of the Initial Term Date **provided that** an Event of Default (as defined below) has not occurred or is continuing to occur.

9. EVENTS OF DEFAULT – The Lender may require the Borrower to repay the Loan upon the occurrence of any one of the following events of default (“Events of Default”):

- (a) the Borrower defaults in paying any amount due hereunder;
- (b) the Borrower defaults in paying any indebtedness owing to the Lender;
- (c) the Borrower fails to comply with any provision of this Agreement;
- (d) the Borrower makes any false or misleading representation to the Lender, including without limitation, any attestation with respect to the eligibility of the Borrower under the Program;
- (e) the Borrower commits an act of bankruptcy or becomes insolvent;
- (f) the Borrower avails itself of a law governing its bankruptcy, restructuring, reorganization, dissolution, winding-up, arrangement, or a third party initiates proceedings towards the Borrower under said law;
- (g) a receiver, interim receiver or trustee is appointed with respect to the Borrower or its property,
- (h) the property of the Borrower is subject to a seizure/ foreclosure proceeding, prior notice of the exercise of a hypothecary right, notice to withdraw authorization to collect claims or any other remedy exercised under laws governing security interests; or
- (i) a Material Adverse Change occurs.

SCHEDULE A
TERMS AND CONDITIONS (CONTINUED)

If an Event of Default occurs or is occurring, the Lender may:

- (a) terminate the Loan, declare liquid and payable all the Borrower's monetary obligations not yet due at that time and claim immediate payment of all amounts owing without further notice or demand;
- (b) withhold any amount collected or received and apply it to any portion of the Borrower's indebtedness to the Lender; and
- (c) exercise any rights and remedies conferred by law.

The rights and remedies above are cumulative and not alternative.

10. NON-WAIVER – Any failure by the Lender to object to or take action with respect to a breach of this Agreement or upon the occurrence of an Event of Default shall not constitute a waiver of the Lender's right to take action at a later date based on that breach of Event of Default. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Lender's rights thereunder, which can only be amended with the express written consent of the Lender.

11. INTEREST – No interest is required to be paid by the Borrower during the Initial Term. During the Extended Term, the Borrower will pay interest on the Loan at the rate of interest set out above, on a monthly basis in arrears, with the first payment to be made on the First Interest Payment Date, or such other date as may be agreed by the Lender. Interest on the Loan during the Extended Term is calculated and accrues on the daily balance of the Loan (including any overdue interest thereon) and not in advance, on the basis of a 365-day year. For the purposes of the Interest Act (Canada), the annual rate corresponding to the rate calculated on this basis is equal to the rate thus calculated multiplied by the actual number of days included in the year concerned and divided by 365 days. Unless otherwise stipulated, the interest is payable monthly, on the last day of each month. Notwithstanding any provision herein, the interest payable (or any amount considered interest under the law) can never exceed the maximum interest amount permitted by law. If this maximum were to be reached, the interest amount would be reduced as to not exceed this maximum. Interest will continue to be payable by the Borrower before and after maturity, in an Event of Default and/or if a judgement is rendered against the Borrower.

12. POST-DEFAULT INTEREST – Any amount disbursed by the Lender to realize, maintain or preserve any right or security will bear interest until payment at the rate of Bank of Canada's Canadian prime rate plus 3% per annum.

13. COST AND EXPENSES – The Borrower will pay the Lender all of the Lender's reasonable costs and expenses (including the fees and charges of internal and external legal counsel, on a solicitor client basis and notarial fees), relating to enforcing the Loan and such costs and expenses shall constitute a debt payable by the Borrower to the Lender. If a statute, regulation, administrative policy or order results in an increase in the cost of the credit for the Lender (namely as a result of the imposition of reserves, taxes or capital adequacy

requirements for the Lender), the Borrower undertakes to pay the Lender, on demand, the amount of the resulting additional cost.

14. SET OFF – In addition to its other rights, the Lender may offset any amount owed by the Borrower to the Lender with any amount owed by the Lender to the Borrower, even if this amount is not due or is payable in another currency. To proceed with this set-off, the Lender may debit any account held by the Borrower with the Lender.

15. POSITIVE COVENANTS – In addition to all the obligations of the Borrower under this Agreement, the Borrower undertakes and agrees to:

- (a) pay all amounts outstanding to the Lender when due or demanded;
- (b) maintain its existence as a corporation, partnership or sole proprietorship, as the case may be, and not make any alterations to its corporate structure;
- (c) pay all taxes;
- (d) use the proceeds of the Loan exclusively for the purposes set out herein;
- (e) at all times, give the Lender and its representatives or agents the right to visit and access the establishments of the Borrower, and the right to examine its books of accounts and other records, and take excerpts therefrom or make copies thereof;
- (f) maintain insurance coverage on its property against loss or damages caused by fire and any other risk as is customarily maintained by the same type of Borrower;
- (g) continue to carry on the business now being carried on by the Borrower;
- (h) ensure that all representation and warranties set out herein remain true and accurate at all times; and
- (i) notify the Lender, without delay, of the occurrence of any Event of Default.

16. NEGATIVE COVENANTS – The Borrower agrees that it will not:

- (a) merge or amalgamate with any other entity or permit any change of ownership or change its capital structure;
- (b) use the proceeds of the Loan other than for the purposes set out herein; or
- (c) sell, lease, assign, or otherwise dispose of all or substantially all of its assets

17. AGREEMENT TO PROVIDE INFORMATION – The Borrower will provide, or cause to be provided, whatever information the Lender may request from time to time. The Borrower will keep the Lender advised of the current address of the Borrower.

18. REPRESENTATIONS AND WARRANTIES – The Borrower represents and warrants that all information provided to the Lender is accurate and complete. The Borrower will provide,

SCHEDULE A
TERMS AND CONDITIONS (CONTINUED)

or cause to be provided, updated information and/or additional supporting information as the Lender may require from time to time with respect to any and all applicable matters, including, where applicable,

- (a) the names of all directors of the Borrower;
- (b) the names and addresses of all beneficial owners of the Borrower,
- (c) the names and addresses of any trustees and known beneficiaries and/or settlors of the Borrower; and
- (d) the ownership, control and capital structure of the Borrower.

The Lender reserves the right to request updated customer information and/or additional supporting information at any time.

19. SHARING OF INFORMATION – The Borrower agrees that the Lender may share information about the Borrower, including, without limitation, the Borrower’s financial information together with information about the Loan, with Export Development Canada and the Government of Canada or its agents for administration and governance of the Loan and for determination of qualification for Loan forgiveness.

20. THIRD PARTY DETERMINATION – The Borrower acknowledges and agrees that no other person or entity will exercise any control over the Loan.

21. RECORDS – The Borrower agrees that the Lender’s books and records are evidence of all amounts owed by the Borrower.

22. SUCCESSOR AND ASSIGNS – This Agreement shall be binding on and enure to the benefit of the Lender and its successors and assigns. It shall also be binding on the Borrower, its heirs, successors and personal representatives (including executors and administrators). The Borrower must obtain the written consent of the Lender to assign this Agreement to any other person. The Lender may at any time, sell, transfer or assign any or all of its rights under this Agreement without notice to or the consent of the Borrower.

23. JOINT AND SEVERAL – The Borrower is jointly and severally (which means individually and collectively) liable to the Lender (and in Quebec the Borrower is solidarily liable to the Lender) for the Loan with each other person who is liable for the Loan.

24. INDEMNIFICATION – The Borrower must indemnify the Lender (including its officers, directors, employees and agents) against any damages and costs suffered or incurred by the Lender and claims brought against the Lender resulting from or related to, directly or indirectly, to the Loan. This obligation will survive the full and final payment of any amount owing by the Borrower to the Lender.

25. CURRENCY – The Borrower must pay all amounts due hereunder to the Lender in the currency of the Loan. If an amount in Canadian dollars is to be converted into or expressed in U.S. dollars, or the equivalent in U.S. dollars (or inversely) must be determined, the Lender may calculate this conversion or equivalence in accordance with its normal practices.

26. OTHER AGREEMENTS – This Agreement applies only to the Loan. This Agreement is in addition to, and not in substitution for, any other agreement that exists between the Borrower and Lender, as the case may be.

27. AMENDMENTS – Except as otherwise set out in this Agreement, the Lender may amend this Agreement at any time upon 30 days prior notice to the Borrower.

28. SEVERABILITY – The invalidity or unenforceability of any provision under this Agreement shall not affect the validity or enforceability of any other provision under this Agreement, and such invalid provision shall be deemed to be severable from the Agreement.

29. GOVERNING LAW – This Agreement shall be governed by the law of the Province in which the Authorized Signatory resides and the laws of Canada applicable therein. In the event of a dispute, the Borrower agrees that the courts of the Province in which the Authorized Signatory resides shall be competent to hear such dispute and agrees to be bound by a judgment of that court.

30. APPLICABLE IN PROVINCE OF QUEBEC ONLY – It is the express wish of the parties that this Agreement and any directly or indirectly related documents be drawn up in English. Les parties ont exprimé la volonté expresse que cette convention et tous les documents s’y rattachant directement ou indirectement soient rédigés en anglais.

31. CREDIT AGENCIES, ETC – In addition to any rights that the Lender and its affiliates may have regarding the collection and disclosure of the information of the Borrower, the Borrower authorizes the Lender to obtain information about the Borrower from, and disclose information about the Borrower to, any world-wide affiliates of the Lender, other lenders, credit reporting or credit rating agencies, credit bureaus and any supplier, agent or other party that performs services for the Borrower or on the Lender’s behalf.

32. ELECTRONIC COMMUNICATION – The Borrower acknowledges, consents and agrees that the Lender may provide all documentation relating to the Loan, the Business Account and this Agreement through Electronic Means. Any documents sent through Electronic Means will be considered “in writing” and to have been signed and delivered by the Lender as though it were an original document. The Lender may rely on and consider any document received through Electronic Means from the Borrower, or which appears to have been received from the Borrower, as binding on the Borrower as though it were an original document. In communicating with the Lender by Electronic Means, the Borrower agrees to comply with certain security protocols that may be established from time to time and to take all reasonable steps to prevent unauthorized access to any documents exchanged through Electronic Means.

33. ELECTRONIC SIGNATURES – The Authorized Signatory agrees that this Agreement and any related documents may be accepted in electronic form and are binding as if they were signed using a pen on paper.