

## **CEBA TERM LOAN AGREEMENT**

<b>Loan Amount</b>  \$40,000	<b>Interest Rate</b>  0% per annum during Initial Term 5% per annum during Extended Term	<b>First Interest Payment Date</b>  January 31, 2023
<b>Initial Term Date</b>  December 31, 2022	<b>Extended Term Date</b>  December 31, 2025	<b>Frequency of Interest Payments</b>  Monthly

### **Term Loan**

The Loan will not revolve. Only one advance is permitted, and it must be for an amount equal to the Loan Amount.

### **Initial Term**

During the Initial Term, you will not be required to repay any portion of the Loan and no interest shall accrue.

### **Extended Term**

During the Extended Term, you 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 agreed by the Bank). On the Extended Term Date, you will repay the balance, if any, of the Loan in full.

### **Funding**

The proceeds of the Loan will be deposited into your Business Account. Your Business Account will continue to operate in the normal course and if there is a negative balance in your 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.

### **Prepayment of Loan**

At any time during the Term, you may prepay all or any portion of the Loan Amount without penalty.

### **Loan Forgiveness for Early Repayment**

If you have repaid at least 75% of the Loan Amount on or prior to the Initial Term Date, the Bank will forgive the remaining balance of the Loan Amount as of the Initial Term Date provided that an Event of Default has not occurred.

### **Default**

The Bank may require you to repay the Loan, upon the occurrence of any one of the following events of default ("Event of Default"): (i) you default in paying any amount due hereunder, (ii) you default in paying any other loan to the Bank, (iii) you fail to comply with any of the provisions of this Agreement, (iv) you make any false or misleading representation to the Bank, including without limitation, in your application for the Loan or the information you have certified to the Bank as set out in Schedule A attached hereto, (v) you commit an act of bankruptcy or become insolvent, or (vi) a receiver is appointed for your business or any part of your property.

## **ATTESTION REQUIRED**

Your authorized representative has certified to the Bank that:

1. Your authorized representative has the ability and authority to bind you.
2. You are a Canadian operating business in operation as of March 1, 2020.
3. You have a federal tax registration.
4. You have submitted your correct Canada Revenue Agency **Business Number (BN) (15 digits)**, as reported at the top of your 2019 T4 Summary of Remuneration Paid (T4SUM) to the Bank.
5. The total employment income paid by you in the 2019 calendar year was between **\$50,000 and 1,000,000 CAD**.
6. You have submitted the correct employment income reported in **Box 14** of your **2019 T4SUM** to the Bank.
7. You can demonstrate the above information by presenting your 2019 T4SUM when requested upon audit by the Government of Canada or any of its agents.
8. Per the requirements of the Program, as set out by the Government of Canada, you acknowledge that the funds from this Loan shall only be used by you to pay your non-deferrable operating expenses including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.
9. You have an active business chequing/operating account with the Bank, which is your primary financial institution. This account was opened on or prior to March 1, 2020 and you were not in arrears on existing borrowing facilities, if applicable, with the Bank by 90 days or more as at March 1, 2020.
10. You have **not previously used the Program** and **will not apply** for support under the Program **at any other financial institution**.
11. You agree to participate in post-funding surveys conducted by the Government of Canada or any of its agents.
12. You understand that applying for support under the Program at more than one financial institution may result in ineligibility under the Program, default under the facility in respect of which this attestation is being provided, prosecution or other enforcement measures available at law or otherwise.
13. You acknowledge your **intention to continue to operate your business** or to resume operations.
14. Per the requirements of the Program, as set out by the Government of Canada, you confirm that:

- a. you are not a government organization or body, or an entity owned by a government organization or body;
  - b. you are not a union, charitable, religious or fraternal organization or entity owned by such an organization or if you are, you are a registered T2 or T3010 corporation that generates a portion of your revenue from the sales of goods or services;
  - c. you are not an entity owned by individual(s) holding political office; and
  - d. it does not promote violence, incite hatred or discriminate on the basis of sex, gender, sexual orientation, race, ethnicity, religion, culture, region, education, age or mental or physical disability.
15. You acknowledge that the Bank will rely upon the accuracy of this attestation in making loans and advances to you pursuant to the Program and acknowledge and agree that an audit may be conducted by the Government of Canada or any of its agents to ascertain the veracity of this attestation and your eligibility under the Program.
16. For the purposes of verifying your eligibility for this Program, **you authorize Export Development Canada, as your representative with the Canada Revenue Agency, to access any required payroll information.**

### **Interest. Costs & Expenses**

**Interest Rate.** During the Initial Term, no interest is payable. During the Extended Term, you will pay interest on the Loan at the applicable interest rate set out above, on a monthly basis, with the first payment to be made on the First Interest Payment Date, or such other date as may be agreed by the Bank.

**Compounded and Payable Monthly.** Interest on the Loan during the Extended Term is calculated daily (including February 29 in a leap year), compounded and payable monthly not in advance at the applicable interest rate set out above.

**How Interest is Calculated and Payable.** The Bank calculates interest on the basis of a 365-day year. Interest is charged on February 29 in a leap year. Interest will continue to be payable by you both before and after maturity, a default on this Agreement, and/or a judgment is rendered against you.

**Cost & Expenses.** You will pay the Bank all of the Bank'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 you to the Bank.

### **Your Covenants**

**Positive Covenants.** In addition to all of your other obligations in this Agreement you will: (i) pay all amounts outstanding to the Bank when due or demanded, (ii) maintain your existence as a corporation, partnership or sole proprietorship, as the case may be, (iii) pay all taxes, and (iv) continue to carry on the business now being carried on by you.

**Negative Covenants.** You will not: (i) merge or amalgamate with any other entity or permit any change of ownership or change your capital structure, or (ii) sell, lease, assign, or otherwise dispose of all or substantially all of your assets.

**Agreement to Provide Information.** You will provide, or cause to be provided, whatever information the Bank may request from time to time. You will keep the Bank advised of your current address.

**Information Attestation.** You represent and warrant that all information you have provided to the Bank is accurate and complete. You will provide, or cause to be provided, updated information and/or additional supporting information as the Bank may require from time to time with respect to any and all applicable matters, including, where applicable, (1) the names of your directors and the names and addresses of your beneficial owners, (2) the names and addresses of trustees and known beneficiaries and/or settlors, and (3) your ownership, control and structure. The Bank reserves the right to request updated customer information and/or additional supporting information at any time.

**Sharing of Information.** You agree that the Bank may share information about you, including, without limitation, financial information about you 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.

**Third Party Determination.** You acknowledge and agree that no other person or entity will exercise any control over the Loan.

**Authority to Bind.** Notwithstanding any resolution previously provided to the Bank to the contrary, you confirm that: (i) you have reviewed this Agreement and agree to be bound by its terms, (ii) you have the ability and authority to be bound by the terms of this Agreement, and (iii) your acceptance of these terms is binding between you and the Bank.

### **Miscellaneous**

**Acknowledgement.** You acknowledge that: (i) the Loan is made in accordance with the Canada Emergency Business Account Program (the "Program") and is being instituted and administered by the Bank at the request of and on behalf of Export Development Canada, on behalf of Her Majesty in Right of Canada, and (ii) you have certified to the Bank the information set out in Schedule A attached hereto, as required by the Government of Canada.