

We confirm your application to DUCA Financial Services Credit Union Ltd. (the “**Lender**”) for a Canada Emergency Business Account single advance non-revolving term loan in the amount of \$40,000 (the “**Loan**”) upon the terms and conditions described in this Agreement (this “**Agreement**”) which, upon clicking “**Agree**” followed by clicking the “**Submit**” button, shall bind the Lender and the legal entity making this application (the “**Borrower**”).

CLOSING DATE

The date of the Loan advance, which is anticipated to be within 4 business days from the date hereof (the “**Closing Date**”).

TERM

The term of the Loan shall be the period commencing on the Closing Date and ending on December 31, 2022 (“the “**Initial Term Date**”) or December 31, 2025 (the “**Extended Term Date**”), as applicable. The Loan, together with any applicable interest and all other amounts owing hereunder, shall be paid in full on the Extended Term Date.

INTEREST RATE

From the Closing date to and including the Initial Term Date, there shall be no interest payable by the Borrower to the Lender and no such interest shall accrue.

During the period commencing January 1, 2023, to and including the Extended Term Date, the Borrower shall pay interest on the Loan monthly on the last business day of each and every month at a rate of 5% per annum, calculated daily, compounded and payable monthly, not in advance both before and after default, demand and judgment until paid. Any overdue interest shall be payable on demand.

PAYMENTS

The Lender may apply payments to any part of the Loan as it sees fit. If any payment due date falls on a date which is a Saturday, Sunday or holiday in the Province of Ontario, any payment scheduled for that date will not be applied until the first business day immediately following that date. The Lender may debit any account that the Borrower maintains with the Lender for any amount owed by the Borrower under this Agreement.

PREPAYMENT AND LOAN FORGIVENESS

The Borrower may prepay the whole or any part of the Loan outstanding at any time without notice, bonus or penalty.

If the Borrower has repaid, at minimum, the principal amount of \$30,000 on or prior to the Initial Term Date, the Lender shall forgive the remaining principal balance of the Loan effective as of the Initial Term Date.

CONDITIONS PRECEDENT TO ADVANCE

The Lender’s obligation to advance the Loan is conditional upon receipt by it of the following, all in form and substance satisfactory to it:

- (a) Confirmation of the amount that the Borrower has paid in total employment income for the 2019

calendar year (to be between CAD\$20,000 and CAD\$1,500,000) as reported on the Borrower's 2019 T4 Summary of Remuneration Paid (the "T4SUM").

- (b) Confirmation of the Borrower's business number with the Canada Revenue Agency (the "CRA").
- (c) Any and all required identification and other due diligence materials required with respect to the Borrower to allow the Lender to comply with its obligations under all applicable anti-money laundering and anti-terrorism laws and regulations to which the Lender may be subject, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).
- (d) Receipt by the Lender of the amount of the Loan from the Government of Canada or its agents.

POSITIVE COVENANTS

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower hereby covenants and agrees that it will: (a) make due and timely payment of the Loan required to be paid by it under this Agreement; (b) engage in business of the same general type as was conducted by it on or prior to March 1, 2020; (c) carry on and conduct its business and operations in a proper, efficient and business-like manner in accordance with good business practice; (d) preserve, renew and keep in full force and effect its existence; and (e) pay all taxes as and when same become due and payable.

NEGATIVE COVENANTS

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower hereby covenants and agrees that it will not: (a) merge or amalgamate with any other entity or permit any change of ownership or change its capital structure, or (b) sell, lease, assign, or otherwise dispose of all or substantially all of its assets.

BORROWER'S ATTESTATION

The Borrower represents and warrants to and in favour of the Lender as follows:

- (a) The person completing the Loan application has the ability and authority to bind the Borrower.
- (b) The Borrower is a Canadian operating business in operation as of March 1, 2020.
- (c) The Borrower has a federal tax registration.
- (d) The Borrower's CRA business number (BN) (15 digits), as reported at the top of the Borrower's 2019 T4SUM, is as reported to the Lender in the application process.
- (e) The Borrower's total employment income paid in the 2019 calendar year was between CAD\$20,000 and CAD\$1,500,000.
- (f) The employment income reported in Box 14 of the Borrower's 2019 T4SUM is as set out in the application process.
- (g) The Borrower can demonstrate the above information by presenting its 2019 T4SUM when requested upon audit by the Government of Canada or any of its agents and/or the Lender.

- (h) Per the requirements of the Canada Emergency Business Account Program (the “**Program**”), as set out by the Government of Canada, the Borrower acknowledges that the funds from the Loan shall only be used by it to pay non-deferrable operating expenses of the Borrower 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.
- (i) The Borrower has an active business chequing/operating account with the Lender, which is its primary financial institution. Such account was opened on or prior to March 1, 2020 and the Borrower was not in arrears on existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020.
- (j) The Borrower has not previously used the Program and will not apply for support under the Program at any other financial institution.
- (k) The Borrower agrees to participate in post-funding surveys conducted by the Government of Canada or any of its agents and/or the Lender.
- (l) The Borrower understands that applying for support under the Program at more than one financial institution may result in ineligibility under the Program, default under the Loan in respect of which this attestation is being provided, prosecution or other enforcement measures available at law or otherwise.
- (m) The Borrower acknowledges its intention to continue to operate its business or to resume operations.
- (n) Per the requirements of the Program, as set out by the Government of Canada, the Borrower confirms that:
 - (i) it is not a government organization or body, or an entity owned by a government organization or body;
 - (ii) it is not a union, charitable, religious or fraternal organization or entity owned by such an organization or if it is, it is a registered T2 or T3010 corporation that generates a portion of its revenue from the sales of goods or services;
 - (iii) it is not an entity owned by individual(s) holding political office; and
 - (iv) it does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.
- (o) The Borrower acknowledges that the Loan is 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.
- (p) The Borrower acknowledges that the Lender will rely upon the accuracy of this attestation in making the Loan 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 undersigned under the Program.

RIGHT OF TERMINATION

The Lender shall have the right to terminate its agreement to provide the Loan to the Borrower and be relieved of all obligations in connection with this Agreement in the event any of the following events should occur:

- (a) The Borrower fails or is unable or unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Agreement within the time indicated for such compliance.
- (b) The Borrower fails or refuses to execute any documentation requested by the Lender or to deliver such documentation to it.
- (c) The Loan has not been fully advanced on or before 30 days from the date hereof.
- (d) The Borrower refuses to accept the Loan proceeds when advanced.
- (e) Any representation made by the Borrower in this Agreement is not accurate as of the date of any Loan advance or during the Initial Term and/or Extended Term, as applicable.

DEFAULT

In the event that the Borrower: (a) does not perform or comply with any of the provisions of this Agreement or any other agreement between the Borrower and the Lender relating to the Loan or otherwise; (b) becomes bankrupt, or subject to proceedings under the *Companies' Creditors Arrangement Act* (Canada), or otherwise subject to bankruptcy, receivership or insolvency proceedings; or (c) makes any false or misleading representation to the Lender, including without limitation, in the application for the Loan or the information the Borrower has represented and warranted to the Lender in this Agreement, then such act or failure to act, as applicable, shall constitute a default under the terms of this Agreement and the Lender shall have the right to immediately demand payment of any amounts advanced, together with interest at the rate set out in this Agreement, as well as any other amounts due under this Agreement.

LENDER'S EXPENSES AND ADMINISTRATION FEES

The Borrower shall pay all costs, charges and expenses incurred by the Lender in connection with the operation or enforcement of this Agreement (including the fees and charges of internal and external legal counsel, on a full indemnity basis) and such costs, charges and expenses shall constitute a debt payable by the Borrower to the Lender. In addition, the Borrower shall pay the administration fees in connection with the administration of the Loan by the Lender, including processing late payments, and cheques or automatic debits which are dishonoured or not accepted, the amount of each such administration fee being a liquidated amount to cover administrative costs and not a penalty. If the Borrower fails to pay any such costs, charges or expenses upon demand, they will be added to the outstanding Loan.

LENDER'S RECORDS

The Lender shall keep accounts showing the status of the Loan and records of the sums borrowed, principal and interest repayments and all other sums due under this Agreement. In the absence of manifest error, the Lender's records shall constitute conclusive evidence of the Borrower's indebtedness to the Lender under the Loan.

ADDITIONAL INFORMATION

The Borrower shall provide, or cause to be provided, further information that the Lender so requests from time to time. In addition, the Borrower shall keep the Lender advised of its current address, provide, 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 the Borrower's directors and the names and addresses of its beneficial owners; (b) the names and addresses of

trustees and known beneficiaries and/or settlors; and (c) the Borrower's ownership, control and structure. The Lender reserves the right to request updated information and/or additional supporting information at any time and from time to time.

ASSIGNMENT

The Borrower shall not have the right to assign any of its rights or obligations under this Agreement or in respect of the Loan to any person. The Borrower agrees that the Lender may transfer and assign, without its consent and without notice to them, the Lender's rights and obligations under this Agreement and the Loan to any person. The Borrower agrees that the Lender may disclose confidential information relating to the Loan, including any financial information provided by it at any time, to any person in connection with any of the transactions contemplated in this paragraph.

CONSENT TO DISCLOSURE

The Borrower hereby expressly consent and authorize the Lender to collect, use or disclose to third parties such personal information as required and as permitted pursuant to *Personal Information Protection and Electronic Documents Act* (Canada) or any regulations thereunder.

TIME

Time is of the essence hereof.

AMENDMENT

This Agreement shall only be amended by agreement in writing executed by all the parties hereto.

WAIVER

Any failure by the Lender to exercise any rights or remedies under this Agreement shall not constitute a waiver thereof. 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.

GOVERNING LAW

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

SURVIVAL

The terms and conditions of this Agreement shall survive the execution of this Agreement and there shall be no merger of these provisions or conditions.

NOTICES

Any notice or demand or other written communication hereunder shall be given by electronic communication or letter to the contact information on file with the Lender as the same may be updated by notice in writing from time to time by the Borrower. An electronic communication shall be deemed received on the day of transmittal if a business day and before 5:00 P.M. (Eastern Daylight Time) or, if not, on the next business day. Each party shall be bound by any notice given as provided hereunder and entitled to act in accordance therewith.

INTERPRETATION

In this Agreement: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word “including” shall mean “including, without limitation,”; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to this Agreement or other concomitant agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) any reference to the Lender, the Borrower and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns; and reference to a “person” shall include an individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or any federal, provincial, municipal or other form of government; and reference to a “corporation” shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Agreement into separate sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and (h) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Borrower, then the obligations and liabilities of all such persons shall be joint and several.

ELECTRONIC SIGNATURES

As the Borrower has applied for the Loan through electronic means, each of the Borrower and the person completing the application on its behalf:

- (a) Agree that this Agreement and any related documents may be accepted in electronic form and are binding as if they were signed in hard copy.
- (b) Will not contest the validity or enforceability of this Agreement and any related documents because they were accepted or signed in electronic form.
- (c) Acknowledge that they have reviewed any applicable on-screen terms, conditions or disclaimers, and agree that the on-screen terms, conditions and disclaimers are binding and form part of this Agreement.
- (d) Agree that a copy of this Agreement and any related documents accepted in electronic form, including on-screen terms, conditions and disclaimers, shall be admissible as evidence of its content and its execution in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.