

BDCID: 10038691209

Loan Agreement

You

- the business, if it is incorporated
- the guarantors (typically the shareholders)
- the business owners, if it is not incorporated

We/ Us

BDC (The Business
Development Bank of
Canada)

We have approved your loan application

Please take the time to read this agreement carefully

Make sure you read and understand every part of this agreement before signing. Once you sign, you will be bound by its terms.

To accept the loan, please sign this agreement

You have until **August 30th, 2024**. After that, the offer will be withdrawn.

Guarantors must also read and sign this agreement

Guaranteeing a loan is a serious responsibility. If you sign this loan agreement as a guarantor, you take on the same obligations towards us as the borrower.

This means that if the borrower defaults, the loan becomes your responsibility. For example, if the borrower stops making payments on the loan, it will be up to you to pay it back.

Please read this agreement carefully before signing.

Overview

General information about your loan

Loan amount	\$59,000.00
Floating annual interest rate (at loan agreement date)	10.609%
To be paid in full by	January 28th, 2030
Annual management fee	\$150.00

Monthly payments

Debited on		28 th day of each month	
Payment on principal			
Number of Payments	Amount	Start Date	End Date
1	983.53	28/02/2025	28/02/2025
59	983.33	28/03/2025	28/01/2030
Interest payment		Changes according to what is left on the principal	

This loan is in addition to the money we have already lent you, of which you still owe \$40,333.16.

1 You agree to pay us back with interest

You agree to pay us back the money we lend you, with interest. We calculate the interest the day before each monthly payment is due, on the outstanding amount of your loan.

1.1 You must make your payments on time

You must make your payments on the 28th day of each month.

If you don't make your payments on time or if you make partial payments:

- Any unpaid interest will accumulate, and you will have to pay interest on it at the same rate. In other words, you will end up paying interest on the interest.
- You will be in default.

If you are unable to make a payment, please contact us immediately. We might be able to work something out.

1.2 You must pay us back in full by January 28th, 2030

Your payments will begin on the first payment date which comes after the disbursement of the loan. For the first six (6) months, you will only pay interest on the loan.

On February 28th, 2025, your monthly payments will increase because you will start paying towards the principal of the loan as well.

You must have repaid your loan in full by January 28th, 2030. This includes the principal, interest and any other costs (like management or administration).

1.3 You can pay us back faster

If you want to repay your loan faster, you can, without penalty, make up to two additional payments in a twelve (12) month period and can also repay it in its entirety at any time.

1.4 Your interest rate may change over time

Your annual interest rate is composed of 2 things:

- BDC's floating base rate (at loan agreement date 8.80%)

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.

- A percentage of 1.809% added to BDC's floating base rate based on your loan application

The **percentage** of 1.809% added to BDC's floating base rate **will not change** once you have accepted the loan.

However, **BDC's floating base rate changes** depending on market conditions. If this happens, your annual interest rate will automatically increase or decrease accordingly, without explicit notice to you, to reflect that change.

If BDC's floating base rate changes, we will adjust your monthly payments.

It is not possible to convert your floating interest rate to a fixed interest rate.

1.5 You must also pay management and administration fees

You will pay an annual management fee. The first payment will take place exactly one year after we begin disbursing the loan.

We may also charge an administration fee if you ask us to make changes to the terms of the loan and we are in agreement with those changes. If you request a change, we will confirm the amount of the administration fee before making the change. At our discretion, administration fees may be charged for each requested change, whether such requests are made at the same time or separately.

Both the annual management fee and the other administration fees amounts are subject to change over time. You will be notified of any changes to the annual management fee.

1.6 You agree to pre-authorized payments

How it works

You authorize us to draw the monthly payments from your account as explained above **without notifying you**. We can also deposit funds if necessary (to correct a mistake, for example).

We will use the account you chose in your loan application. If you want to use a different account, please notify us at least 30 days in advance.

Payments Canada sets out rules for pre-authorized payments which we must follow. If we don't, you have recourse rights. For example, you have the right to be reimbursed if we accidentally withdraw the wrong amount from your account.

Please contact us (our contact information is at the bottom of the page) or your financial institution, or visit <https://www.payments.ca/> for more information.

Order of repayment

We will use the funds drawn from your account to pay the amounts you owe us in the following order:

1. Protective disbursements (expenses we make to protect our interests)
2. Arrears of fees, interest and principal (late payments)
3. The current fees, interest and balance of principal
4. Any other amounts you owe us

We can also choose a different order at our discretion.

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.

2 You also agree to

2.1 Be honest with us

Any information you give us must be accurate, including the information you provided in the loan application process. Our decision is based on this information.

You must let us know as soon as any of the information you gave us changes.

2.2 Give us the information we need to manage your loan

We will sometimes need additional information or documents to assess your financial situation. You must provide them to us when we ask. For example:

- Financial documents, such as your business' annual financial statements
- Documents related to the project being financed, such as proof of payment, contract, or bill of sale for any services, equipment, machinery or other goods
- A valid government-issued piece of identification

2.3 Manage the business responsibly

You must:

- **Keep your assets insured.** Your insurance must protect your assets from all insurable risks and cover their full replacement value
- **Pay your taxes.** You must keep up to date in paying your income, business or property taxes, GST, HST, sales tax, payroll deductions, etc.
- **Honour your contracts.** You must not default on this loan or any other contract you have with us or with other creditors
- **Remain solvent.** You must not become insolvent or go bankrupt.
- **Keep your financial situation stable.** There must not be any material change in your circumstances that would affect your ability to repay the loan
- **Tell us if you are engaged in litigation.** You must inform us if you become involved in any litigation or legal action of any kind.
- **Keep your business operating.** You must inform us if you are planning to stop your operations.

2.4 Include us in important decisions

You must obtain our written consent before:

- Changing the nature of your business
- Changing the structure of your business in any way. For example, acquiring or merging with another company, or creating an affiliated company
- Selling or transferring shares of your business
- Changing the effective voting control of your business
- Using the money we lend you for something other than the identified loan purpose, if any

2.5 Comply with the law

You must:

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.

- Respect all laws and regulations established by all levels of government
- Not be convicted of a criminal offence, either before or after our loan is advanced, unless such has been disclosed to and confirmed by us as not impacting the continuation of the loan

2.6 Stay away from activities BDC does not finance

As a Crown corporation, we do not finance businesses associated with the following activities:

- The promotion or inciting of violence, cruel behavior, or hatred
- Intense violent content (18+ or unrated content) business related activities
- Sexual exploitation, or sexually explicit content (18+ or unrated content) business related activities
- Discrimination, or human rights abuse
- Market speculation
- Residential property financing
- Cultivation, production, processing and/or importing/exporting of marijuana/cannabis (or any unregulated drug)
- Virtual Currencies (include cryptocurrencies) related activities
- Non-Fungible Tokens (NFTs) related activities
- Financing or cheque discounting activities (for example, rent-to-own firms or pay-day loan companies)
- Nursing, rehabilitation and caring for people who require medical or personal support

We do not finance businesses associated with these entities and industries either:

- Bars, lounges, or similar establishments
- Private schools
- Gambling operations
- The arms industry

With the exception of an individual's personal investment in virtual currencies (including cryptocurrencies), publicly traded companies and/or financing of residential property, as long as you are in business with us, neither you, nor the shareholders or others in a position to make decisions on behalf of the business, if incorporated, can own (directly or indirectly) any shares in any entity engaged in any of these activities, entities or industries.

2.7 Keep your operations in Canada

You must continue to be located in Canada and have commercial operations in Canada.

3 What happens if you don't honour this agreement

If you breach any of the obligations described in this agreement, you will be in default. The consequences of being in default can be very serious.

3.1 We can withhold disbursement of the loan

We have the right to hold back the disbursement even if this agreement is signed.

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.

3.2 We can require the immediate repayment of the entire loan

We have the right to demand immediate repayment of the entire loan, as well as any accumulated interest. Because you (the business, business owners and the guarantors (if any)) are jointly and severally liable for the loan (solidarily liable in Quebec), we may ask any one of you to repay the loan in its entirety, on your own.

3.3 You may have to pay other costs

In addition

- You will pay BDC's costs of enforcing this agreement. This includes all legal costs and professional fees paid by BDC at the rate at which those amounts are billed to BDC.
- You will continue to pay interest on the loan at the agreed rate until it has been completely repaid, both before and after judgment.

3.4 If we get to the point where we go to court...

In the unfortunate event that we have to go to court to recover the money you owe us, we may ask for a judgment against the business, the business owners and the guarantors, or any of you.

Following the judgment, we may protect our rights by registering the judgment against your personal assets, including your home(s). Your debt would continue to exist until we are repaid in full. Interest will continue to accumulate until your debt is paid in full.

While we want to avoid these situations, you need to know that the above measures can be taken.

3.5 But first, talk to us

We want this agreement to work. If you find yourself having trouble making your monthly payments or living up to any other part of this agreement, talk to us as soon as possible. We may be able to work with you to help you get back on track.

4 A few quick things before you sign

4.1 If we need to interpret this agreement or guarantee

You listed the location of your business in your loan application. The law of the province or territory you indicated there will apply.

4.2 If your address changes

If the address listed in your loan application changes, you must notify us as soon as possible. We will address any legal notifications to the last address you have provided or through our secured client portal.

4.3 If you or any guarantor passes away before the loan is repaid

You are required to advise us if the borrower or any of the guarantors pass away before the loan is repaid. In those unfortunate circumstances, we will discuss with you what will be required to restructure the loan. If we cannot agree on an acceptable solution, we

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have the right to demand repayment of the loan and all those who signed this agreement and the estate of the deceased person will be responsible for repaying the loan in full.

4.4 You cannot transfer the loan to someone else

You cannot transfer the loan to another person or entity without our written consent.

4.5 This is the entire agreement

This is the entire agreement between us. No other commitments or representations, whether spoken or written, apply to it.

[If you want to modify it](#)

You may want to change something in this agreement and so might we. Any change must be made in writing and signed by us. You will pay an administration fee for such changes.

5 Signatures

Each person can sign this agreement electronically, or on paper. Whichever way you choose, your signature has the same legal value. You can even sign on separate copies, but the loan will only be disbursed once we have received all the required signatures on this agreement and the separate guarantee document(s), if applicable.

If you print and sign a copy of the agreement, please follow the instructions we sent you.

5.1 Borrower

By signing below, you confirm that you have read and understood this agreement. You agree to honour all the obligations described in it.

You also confirm that you have:

- consulted a lawyer who advised you on this agreement, or
- chosen not to consult a lawyer

Name of the Business / Business owner	Saltire Contracting Ltd.
Name of authorized representative	Scott Alan Fraser
Date	E-SIGNED by Scott Alan Fraser
Signature	on 2024-07-31

5.2 Guarantors

Remember, as a guarantor, repaying the loan is as much your responsibility as the borrower's.

You also take on all the other obligations listed in this agreement.

If the borrower defaults, we will ask you to pay the full amount they owe us.

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.

If you refuse to pay, we will have no choice but to take you to court.

In legal terms, you are unconditionally liable on a joint and several basis with the borrower and any other guarantor. This is known as solidary liability in Quebec.

In order for the loan to be disbursed, you need to sign 2 documents in the following order:

1. this agreement
2. the Guarantee

By signing below, you confirm that you have read and understood this agreement. You agree to honour all the obligations described in it.

You also confirm that you have:

- consulted a lawyer who advised you on this agreement and the Guarantee, or
- chosen not to consult a lawyer

Name of guarantor	Scott Alan Fraser
Date	E-SIGNED by Scott Alan Fraser
Signature	on 2024-07-31

5.3 What happens next

We will deposit the loan amount directly into your bank account when:

- all the conditions of your loan application are met
- we receive signed copies of this agreement and the Guarantee

If you have any questions, please contact our Contact Client Centre at 1-877-232-2269.