



Note: You must fill in all of the boxes (print) or otherwise the form will be returned (Instructions attached)

LENDER

1	Lender's name and address  ROYAL BANK OF CANADA 1ST FLOOR 630 BOUL RENE-LEVESQUE WEST MONTREAL, QC	2	CP A tra nsi t no . (8 dig its)				
		0	1				
		3	Le nd er' s loa n no .				
Postal code		H	3	B	1	S	6

BORROWER

4	Name and address of the legal entity directly obligated to repay the loan  631019 N.B. INC. PO Box 3631 STN B, Fredericton , New Brunswick,	5	Te p ho ne no .
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6	Operating name of business (if different from the name reported in Line 4)
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7	Business no. assigned by the Canada Revenue Agency (9 digits, 2 letters, 4 digits)	<b>R</b>	<b>OR</b>	Exempt from GST	No Business number
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8	Type of borrower (should correspond to Line 4)	<p>Sole proprietor                      Partnership                      Corporation (If corporation: List name(s) of Shareholders) (Use blank sheet to complete if necessary)</p>	9	Borrower's estimated annual gross revenue  _____  <i>Cannot exceed \$5,000,000</i>
			10	Industrial sector (use one of the letters from A to T as per instructions and print a concise description of the main activity of the business resulting from the loan)  Sector                      Description of the main activity of the business
	First name and initials	Last name		
	Paul	Michaels		
	Charlotte	Michaels		

Recreational  
Outfitter

11	Number of years the borrower has been operating	12	Assets located on an Indian Reserve
<p style="text-align: center;">Less than 1 year                      1 to 3 years                      More than 3 years</p>		Yes	
13	Franchise                      If franchise: Name of franchisor  Yes  No	14	Number of current full-time equivalent employees on the payroll at time of loan application.
		15	Number of additional persons to be employed (full-time equivalent) as a direct result of this loan

**LOAN**

16	Date of approval of the loan	17	Date of first loan disbursement	18	Term of loan (in months)	19	Rank of asset security obtained
<p style="text-align: center;">Year                      Month                      Day</p> <p>2   0   1                      1   0   7                      2   2</p>		<p style="text-align: center;">Year                      Month                      Day</p>			120	First charge	

20	Interest Rate
<p style="text-align: center;">Floating (cannot exceed prime lending rate + 3%)                      Fixed (cannot exceed single family residential mortgage rate + 3%)</p>	

21	Name of personal and/or corporate guarantors (use blank sheet if necessary) or check box if none	Type of Guarantees (check one box per line)
First name and initials		Personal
Paul		
Charlotte		

CLASS OF LOAN			AMOUNT OF LOAN TO BE REGISTERED		
22	Leasehold improvements (tenant)	+	\$		30 Percentage of asset cost financed by the CSBF loan
23	Equipment	+	\$		90.00 % <i>Cannot exceed 90%</i>
24	Registration fee financed (if applicable) maximum 2% of Lines 22 and 23	+	\$		31 Registration fee (2% of Lines 22, 23 and 26) Cheque payable to Receiver General for Canada
25	<b>Sub-total (Lines 22 + 23 + 24) (cannot exceed \$350,000)</b>	=	\$	0.00	\$ 9,803.92
26	Purchase of / improvement to real property or immovables (owner)	+	\$	490,196.08	<i>Do not round to nearest dollar</i>
27	Registration fee financed (if applicable) maximum 2% of Line 26	+	\$	9,803.92	
28	<b>Sub-total (Lines 26 + 27) (cannot exceed \$500,000)</b>	=	\$	500,000.00	
29	<b>TOTAL AMOUNT OF LOAN TO BE REGISTERED (Lines 25 + 28) (cannot exceed \$500,000)</b>	=	\$	500,000.00	

#### BORROWER'S ACKNOWLEDGEMENT AND CONSENT

I, the borrower (or responsible officer of the company), acknowledge that this loan is made under the *Canada Small Business Financing Act*; and 1) certify that:

- a) the assets financed in lines 22, 23 and 26 include only eligible costs as defined in the attached instructions for the borrower;
- b) the total amount of the proposed loan and the principal amount outstanding on any CSBFA loan, in respect of the borrower and all borrowers related to that borrower within the meaning of the Regulations, do not exceed \$500,000 (including outstanding SBLA loans) of which the amounts for the purchase of leasehold improvements and the purchase or improvement of equipment does not exceed \$350,000;
- c) the assets financed by the loan are purchased from a person who is at arm's length with the borrower; otherwise, an appraisal has been obtained;

d) if the loan is used to finance the purchase of real property or immovables; at least 50% of the area is used, or will be used within 90 days after the final disbursement, for the operation of the small business;

Yes No N/A

Initials

e) if the loan is used to finance the purchase or improvement of real property or immovables, or the purchase of leasehold improvements;

- the assets are not intended to be resold within three years after the day on which the loan is made, or
- the assets are not intended to be leased or subleased within 3 years after the day on which the loan is made except for small businesses operating in the health care, hospitality or mini-storage industries;

Yes No N/A

Initials

f) if the loan or part of the loan is used to finance leasehold improvements; the borrower and the landlord are at arm's length

Yes No N/A

Initials

2) consent to:

- a) the audit by Industry Canada representatives of the loan approval and administration file held by the lender in respect of the loan;
- b) the release by Industry Canada of information with respect to the borrower's or related borrower's outstanding loans to another lender to whom the borrower applies for a loan.

**By initialling, you confirm that we may use the details on this form to give you additional information about Government of Canada small business products.**

Initials

E-mail address of the name reported in line 4:

**It is an offence to knowingly make any false statement or misrepresentation on this loan registration form or to make improper use of the proceeds of this loan by deceit, falsehood or other fraudulent means. Such offences are punishable in accordance with section 16 of the *Canada Small Business Financing Act*, section 380 of the *Criminal Code*, or any applicable section of the *Criminal Code*.**

Name in full of the borrower (sole proprietor or partnership) or responsible officer of the company (corporation) (print)

Signature of borrower or responsible officer of the company

Date

Year

Month

Day

## LENDER'S ACKNOWLEDGEMENT

I, authorized representative of the lender, certify that:

- to the best of my knowledge, the information contained herein is complete and accurate;
- the loan was approved in accordance with the due diligence requirements of the *Canada Small Business Financing Regulations*;
- no fees or charges other than those authorized by the Act and Regulations and declared on this form have been paid or are payable by the borrower;
- the total amount of the proposed loan and the principal amount outstanding on any CSBFA loan, in respect of the borrower and all borrowers related to that borrower within the meaning of the Regulations, do not exceed \$500,000 (including outstanding SBLA loans) of which the amounts for the purchase of leasehold improvements and the purchase or improvement of equipment does not exceed \$350,000;
- the loan complies with all the eligibility requirements of the *Canada Small Business Financing Act and Regulations*.

Name and title of authorized representative of the lender (print)	Telephone no.	Enter the fax no. where acknowledgment can be sent or to obtain information	Fax no.
Stephen Banks - Account Manager	5 1 4 8 7 4 8 3 9 3		5 1 4 8 7 4 7 9 0 3
Signature	E-mail address	Date	
	mtlbsclc@rbc.com	Year	Month Day

**MAKE LENDER'S CHEQUE PAYABLE TO "RECEIVER GENERAL FOR CANADA" and send with form to:**  
**Industry Canada**  
**Canada Small Business Financing Program**  
**235 Queen Street, Ottawa, Ontario K1A 0H5**

**INFORMATION ON THE PROGRAM AND FORMS AVAILABLE AT:**  
**[www.ic.gc.ca/csbfa](http://www.ic.gc.ca/csbfa)**

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## INSTRUCTIONS FOR THE LENDER

- Indicate the name, address and postal code of the lender's branch where the loan was authorized / approved.
- Enter the transit number approved by the Canadian Payments Association (8 digits) that matches the lender's name and address in Line 1.
- Enter the complete loan number (and extension numbers if applicable) assigned to the loan by the lender.
- Enter the name, address and postal code of the legal entity directly obligated to repay the loan. For a business operating as a sole proprietorship or partnership, enter the name(s) of the proprietor or partners.
- Enter the telephone number of the borrower.
- Provide the operating name of the business if the name is different from the legal entity or person(s) directly obligated to repay the loan (e.g. a franchise name).
- Enter the business number assigned by Canada Revenue Agency. This number consists of fifteen characters - nine digits followed by two letters and by four digits. If the business is exempt from GST, check appropriate box. If the business is not asking for a business number, check appropriate box. If the business is new and has applied for a Business number but did not receive it yet, check "to follow" and forward the Business number when received.
- Check only one of the boxes and where the business is a corporation, print the name(s) of the shareholder(s) of the company.
- Indicate the estimated gross annual revenue of the business for the fiscal period, of not less than 52 weeks, in which the loan is approved by the lender. The amount cannot exceed five million dollars.
- Indicate in the box which of the following industrial sectors (one only) best describes the borrower's main business activity resulting from the loan (use the letter), and write a concise and clear description of the main activity.

- |   |  |
|---|--|
| A - Agriculture (support activities), Forestry, Fishing and Hunting | L - Professional, Scientific and Technical Services  |
| B - Mining and Oil and Gas Extraction                               | M - Administrative and Support, Waste Management and Remediation Services                            |
| C - Utilities   | N - Educational Services   |
| D - Construction  | O - Health Care and Social Assistance  |
| E - Manufacturing   | P - Arts, Entertainment and Recreation   |
| F - Wholesale   | Q - Accommodation and Food Services  |
| G - Retail  | R - Repair and Maintenance Services  |
| H - Transportation and Warehousing                                  | S - Personal Care Services (hair salons/beauty salons/saunas/massage/weight loss/hair removal/other) |
| I - Information and Cultural Industries                             | T - Other services   |
| J - Finance and Insurance   |  |
| K - Real Estate and Rental and Leasing                              |  |

11. Check the appropriate box to indicate the number of years the borrower seeking the loan has been operating.
12. Check the appropriate box. This refers to the location of the assets.
13. Check the appropriate box. If the business is operating under a franchise agreement, enter the name of the legal entity operating as the franchisor.
14. Indicate the number of persons (including the owner) on the payroll of the business at the time of application. A full time employee counts as one (1) employee. A part time employee counts as one third (1/3). Round off to the nearest whole number.
15. Indicate the number of additional persons (full-time or equivalent) to be employed as a direct result of this loan.
16. Enter the date of the final approval of the loan by the authorized representative of the lender.
17. Enter the date of the first disbursement of the loan by the lender to the borrower (do not enter the loan approval date). The loan is to be registered within three months following the day of the first disbursement.
18. Indicate the number of months covered by the term of the loan.
19. Check the appropriate box(es). This refers to the rank of assets security obtained.
20. Check the appropriate box to indicate whether floating or fixed rate.

21. If applicable, indicate the name of the guarantors, and the type of guarantee (personal or corporate). Personal guarantees must be unsecured and cannot exceed (in aggregate) 25% of the amount of the loan to be registered in Line 29. Corporate guarantees may be secured but cannot exceed the full amount of the loan.
22. Amount of the loan to be used to make improvements, or to purchase existing improvements, to a property where the borrower is a tenant.
23. Amount of loan to be used to purchase, install and/or improve equipment.
24. If applicable, enter the part of the registration fee for leasehold improvement and equipment (maximum 2% of the total of lines 22 and 23) which is financed by the loan.
25. The amount reported in Line 25 must be detailed in Lines 22, 23 or 24, and cannot exceed \$350,000.
26. Amount of loan to be used to purchase or improve real property or immovables where the borrower is or will become the owner of the real property or immovables.
27. If applicable, enter the part of the registration fee for real property or immovables (maximum 2% of line 26) which is financed by the loan.
28. Indicate the sub-total of Lines 26 and 27. Must not exceed \$500,000.
29. Total amount of the loan to be registered (lines 25 and 28). Cannot exceed \$500,000. This amount represents the total amount guaranteed under the CSBFA.
30. Indicate the percentage of the total cost of eligible assets that are financed by the loan. The percentage must not exceed 90%.
31. The registration fee, representing 2% of Lines 22, 23 and 26, must equal to the lender's cheque attached to the Loan Registration Form.

## INSTRUCTIONS FOR THE BORROWER

Check only one box under each d), e) and f) of the "Borrower's Acknowledgment & Consent" section and initial all three.

### Eligible costs

For the purposes of the elements shown in Lines 22, 23 and 26, costs include: transportation, freight and installation costs as well as architectural, engineering, design fees and non-refundable taxes and custom duties but reduced by the amount of: grants, discounts, refunds and reimbursements or any type of applicable credits directly related to the assets financed. Any other costs not listed in this definition are considered ineligible incidental fees.

### Related borrowers

For the purpose of the Regulations, borrowers who are operating a small business at different premises and neither one derives more than 25% of its actual or projected gross revenues from the other are considered independent small businesses and not related borrowers. Two or more borrowers are related, if:

- a) one borrower controls or is controlled by the other borrower, directly or indirectly in any manner;
- b) one borrower controls or is controlled by the same person or groups of persons, directly or indirectly in any manner;
- c) one borrower carries out its business in partnership with the other borrower who also carries out a small business;
- d) both borrowers share management services, administrative services, equipment, facilities or overhead expenses without being in a partnership.

### Purchase of real property or immovables

A loan may not be made to finance the purchase of real property or immovables (land and/or buildings) unless, at the time the loan is approved by the lender, the borrower intends to use at least 50% of the area of the real property or immovables for the operation of the small business within 90 days after the final disbursement under the loan agreement.

### Sale, leasing and subleasing of assets

If a loan is made to finance real property or immovables or leasehold improvement, the borrower cannot intend to:

- sell the assets financed within 3 years after the day on which the loan is made; or
- lease or sublease the real property or immovables within three years after the day on which the loan is made except if the borrower is operating a small business in the health care, hospitality or mini-storage industries. These industries are classified under the 1980 Standard Industrial Classification published by Statistics Canada under the Major Group 86, 91, 92 and 479 respectively.

### Leasehold improvement not at arm's length

If the loan is made to finance leasehold improvements and the relation between the tenant and landlord is not at arm's length as defined in the *Income Tax Act*, the lender must secure the loan by a mortgage on the real property or immovable that is the subject of the leasehold improvement.

### Offences and punishments under section 16 of the *Canada Small Business Financing Act*

It is an offence to:

- make a false statement or misrepresentation, furnish false or misleading information;
- dispose of assets taken as security without the consent of the lender and with fraudulent intent; or
- use the proceeds of the loan, with fraudulent intent, for a purpose that does not fall within the scope of the loan.

A borrower who commits an offence:

- is guilty of an indictable offence and liable to a fine of up to \$500,000 or to imprisonment of up to five years, or to both; or
- is guilty of an offence punishable on summary conviction and liable to a fine of up to \$50,000, or to imprisonment of up to six months, or to both.