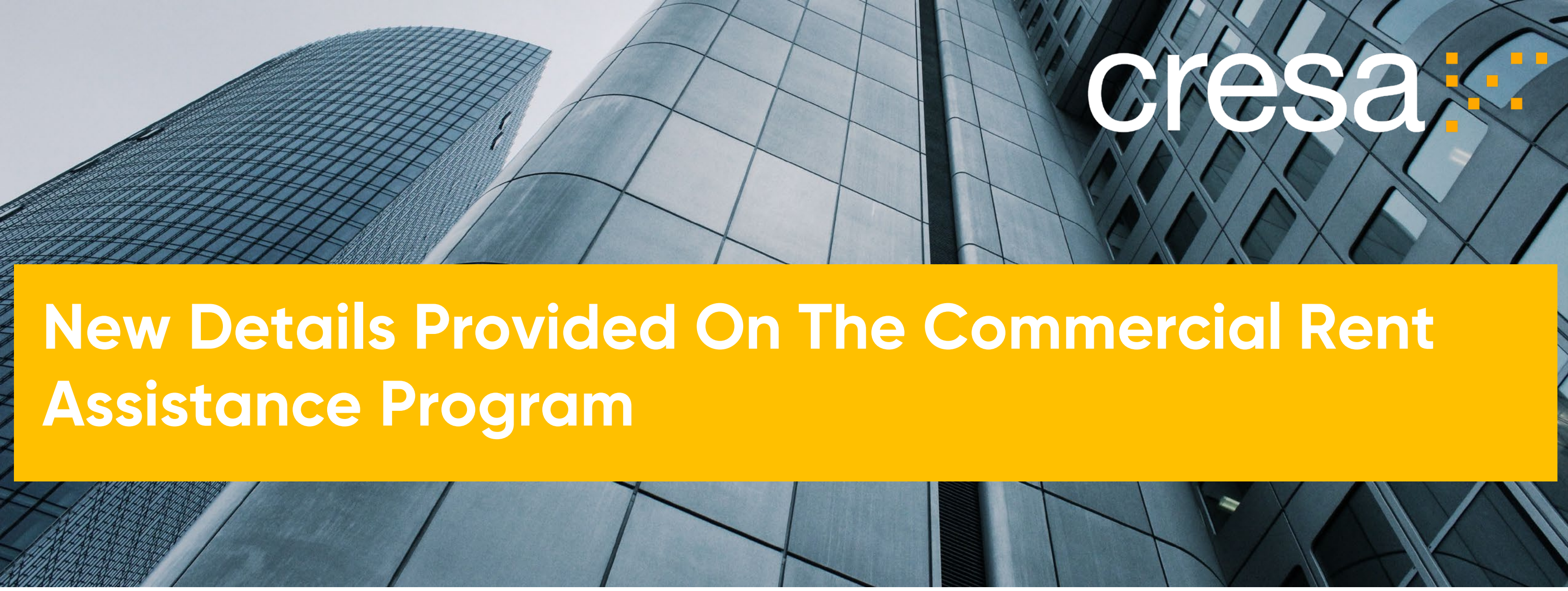


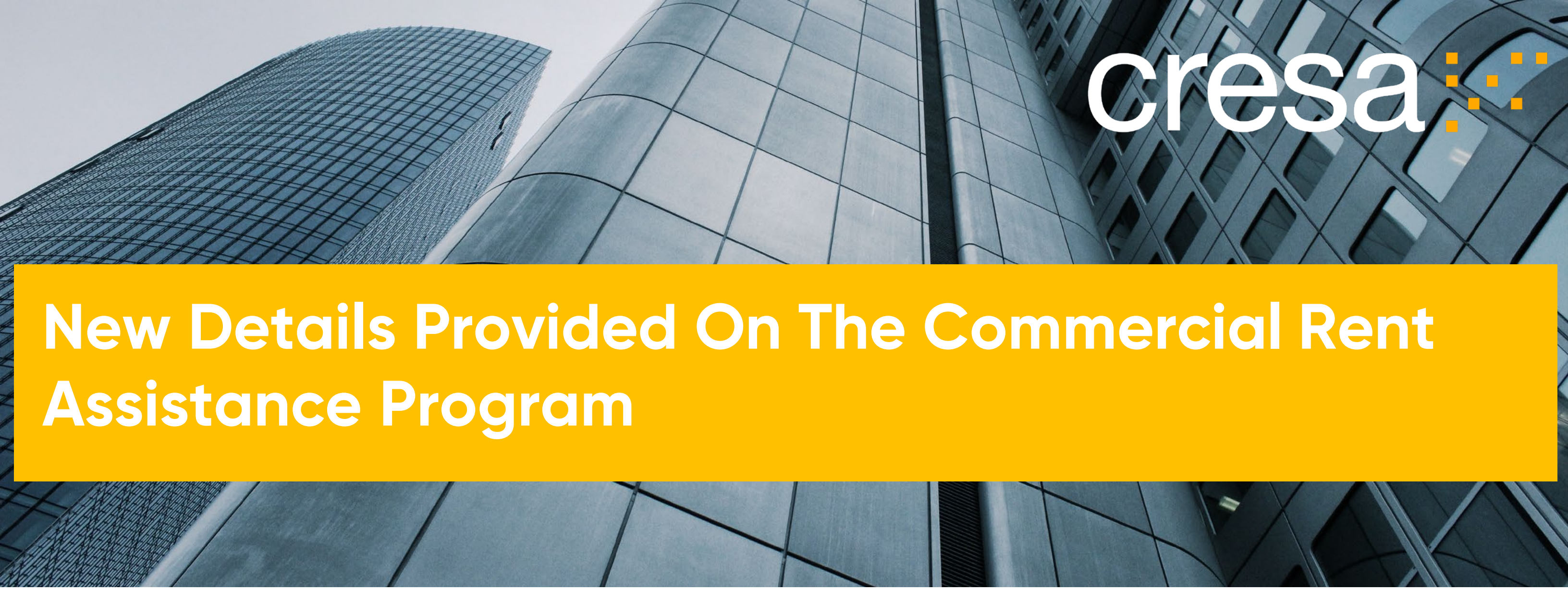
New Details Provided On The Commercial Rent Assistance Program

On October 9, 2020 the Canadian government announced a new rent subsidy to replace the Canadian Emergency Commercial Rent Assistance Program (CECRA), providing rent subsidies directly to businesses rather than landlords. The subsidy would be available retroactive to September 27, 2020 until June 2021.

The government is now providing proposed details for the first 12 weeks of the program, until December 19, 2020. The new rent subsidy would provide benefits directly to qualifying renters and property owners, without requiring the participation of landlords. Organizations that have suffered a revenue drop of 70% or more would be able to apply for a subsidy on eligible expenses, up to a maximum of 65%. The table below illustrates the sliding scale subsidy provided:

Revenue Decline	**Base Subsidy Rate**
70% and over	65%
50% to 69%	40% + (revenue drop - 50%) x 1.25 (e.g., 40% + (60% revenue drop – 50%) x 1.25 = 52.5% subsidy rate)
1% to 49%	Revenue drop x 0.8 (e.g., 25% revenue drop x 0.8 = 20% subsidy rate)

As shown in table above and the graph on the following page, the maximum base rate subsidy would be 65 per cent, and available to organizations with a revenue drop of 70 per cent or more. The base rate would then decline to a rate of 40 per cent for organizations with a revenue drop of 50 per cent, and then would gradually reduce to zero for those not experiencing a decline in revenues.



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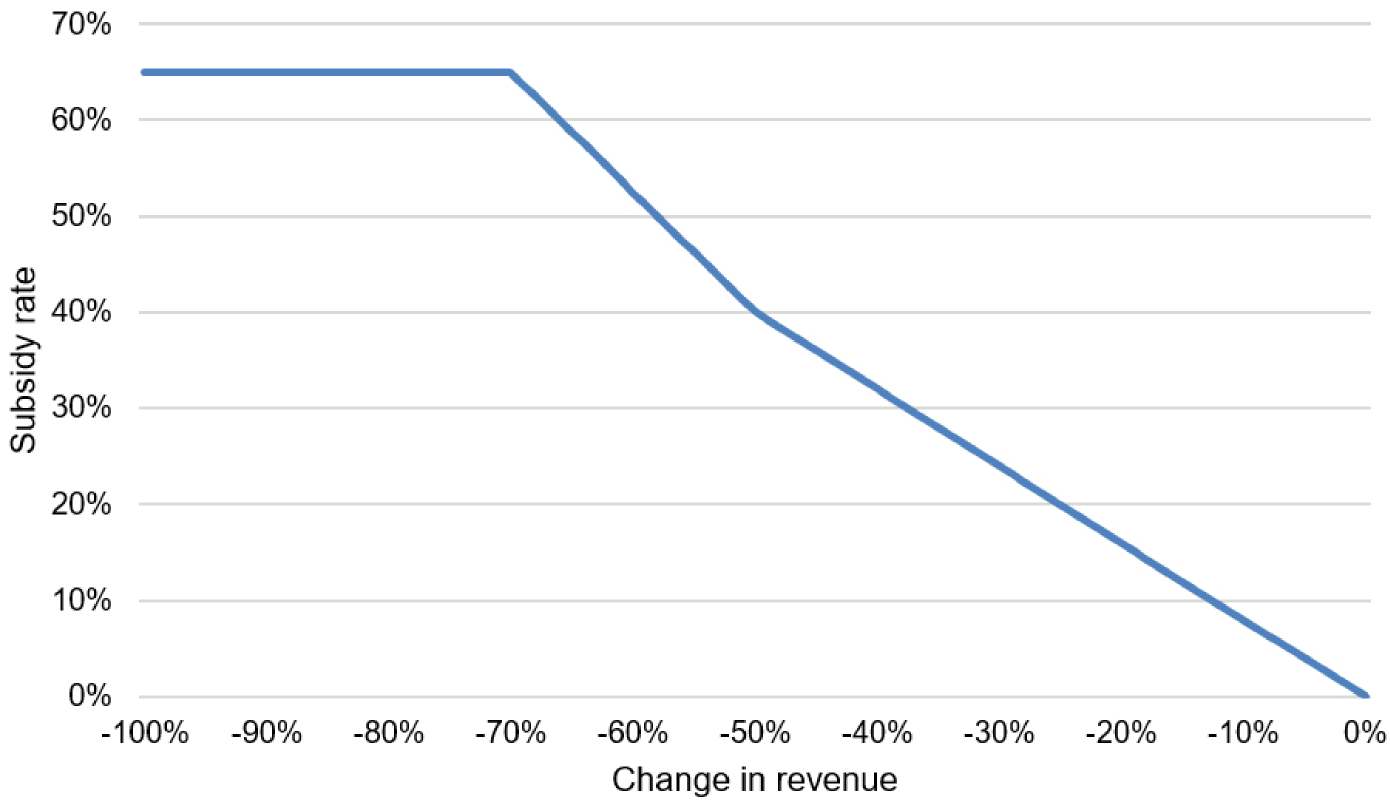
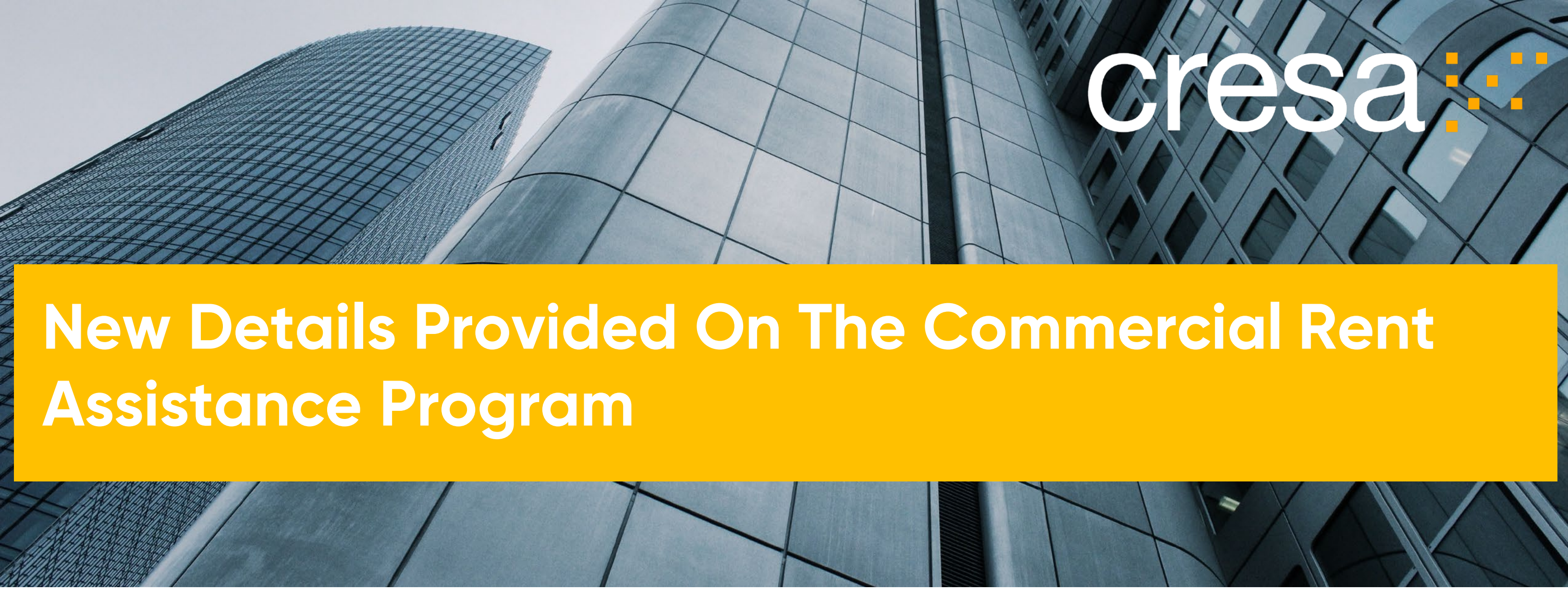


Eligible Expenses :

- Eligible expenses during the qualifying period include commercial rent, property tax, property insurance and interest on commercial mortgages for a qualifying property, less any subleasing revenue. Any sales tax component of these costs would not be eligible.

- Eligible expenses would be limited to those paid under agreements in writing, entered into before October 9, 2020 and limited to expenses related to real property located in Canada.

- Expenses for each qualifying period would be capped at $75,000 per location and be subject to an overall cap of $300,000 that would be shared among affiliated entities.



New Details Provided On The Commercial Rent Assistance Program

Eligible Entities:

- Eligible entities include individuals, taxable corporations and trusts, non-profit organizations and registered charities.

- Eligible entities must meet one of the following criteria:
    - Have a payroll account as of March 15, 2020 or have been using a payroll provider;
    - Have a business number as of September 27, 2020;
    - Meet other conditions that may be prescribed in the future.

Calculating Revenue:

- An entity's revenue for the purposes of the rent subsidy is its revenue from its ordinary activities, in Canada, earned from arm's-length sources, determined using its normal accounting practices. Revenues from extraordinary items and amounts on account of capital are excluded.

- For registered charities and non-profit organizations, the calculation includes most forms of revenue, excluding revenues from non-arm's length persons. These organizations are allowed to choose whether to include revenue from government sources as part of the calculation. Once chosen, the same approach would have to apply throughout the program period.

Reference Period for Drop-in-Revenue Test:

- Eligibility would generally be determined by the change in monthly revenue, year over year, for an applicable calendar month; *OR*

- An entity can choose to calculate its revenue decline by comparing its current reference month revenues with the average of its January and February 2020 revenues.

- Once an entity has chosen its approach, it must use that approach for each of the three periods.

- All applications must be made on or before 180 days after the end of the qualifying period.

For more information on the program, please visit the [Government of Canada website] or contact your Cresa Advisor.

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