

March 25, 2020

To our valued clients, partners and friends,

As many of you are aware, the Governments of Ontario and Québec moved yesterday to close all businesses deemed non-essential.

Ontario

Effective at 11:59 pm on Tuesday, March 24 all non-essential businesses in Ontario must be closed. Today the Government of Ontario announced the list of Essential Workplaces (<https://s3.amazonaws.com/files.news.ontario.ca/opo/en/2020/03/list-of-essential-workplaces-2.html>) that may remain open. We note that all businesses can continue to operate through teleworking and online commerce. Impacting our clients, the list of businesses **that can remain open** includes, among others:

- (2) Businesses engaged in the retail and wholesale sale of food, pet food and supplies, and household consumer products necessary to maintain the safety, sanitation and essential operations of residences and businesses, **including grocery stores, supermarkets, convenience stores, markets and other similar retailers;**
1. Beer, wine and liquor stores and **alcohol producers**, and **stores that sell beer and wine through arrangements with authorized providers**; cannabis stores and cannabis producers;
 2. **Gas stations**, diesel, propane and heating fuel providers including providers of motor vehicle, aircraft and water/marine craft fuels;
 3. Motor vehicle, auto-supply, **auto and motor-vehicle-repair**, including bicycle repair, aircraft repair, heavy equipment repair, watercraft/marine craft repairs, car and truck dealerships and related facilities;
- (11) **Restaurants** and other food facilities that prepare and serve food, **but ONLY for delivery or takeaway**, together with food delivery services;
- (12) Hotels, motels, shared rental units and similar facilities, including student residences;
- (21) **Businesses that farm, harvest, process, manufacture, produce or distribute food**, including beverages, crops, animal products and by-products, aquaculture, hunting and fishing;

Québec

The Government of Québec has ordered the closing as of Wednesday, 25 March at 00:01 until April 13, 2020 of all non-essential stores and services. Similarly, to Ontario, this does not impact businesses engaging in teleworking and e-commerce.

The list of essential services and commercial activities (<https://www.quebec.ca/en/health/health-issues/a-z/2019-coronavirus/essential-services-commercial-activities-covid19/#c48425>) **that may remain open** includes, among others:

- **food production**, such as farming enterprises, food processing, beverages, slaughterhouses, market garden production;
- **grocery stores and other food stores;**
- **drugstores;**
- **convenience stores;**
- **megastores outside shopping centres that offer grocery**, drugstore or hardware services;
- **restaurants (TAKEOUT COUNTERS OR DELIVERY ONLY);**
- **hotels;** and
- **Service stations and mechanical repair of motor vehicles**, trucks and specialized equipment for industries deemed essential.

It is Econolease's expectation that other provinces will enact similar restrictions in the coming days or weeks.

Since our previous email regarding the Federal Government's plans to assist impacted businesses, we can now provide the following link to more details on the wage subsidy: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>.

Econolease would also like to provide the following guidance when applying for support from the Business Development Bank of Canada. Depending on the size of your financial assistance ask, applicants to the program may be asked to provide;

- Financial statements (or corporate tax filings) for the past three years;
- Forecasted financial statements for the next three years;
- A statement of Personal Net Worth for the owner of the business;
- Corporate Structure Chart for businesses with multiple owners or affiliated businesses. For single shareholder businesses, simply stating the full legal name of the sole shareholder owns 100% of the business will be sufficient;
- Organizational Chart or description of the number of employees and in what capacity they operate (for example; 2 general managers, 3 cooks, 6 servers, 1 bookkeeper and 2 bussers. It is important to highlight your workforce at full capacity. Priority will likely be given to profitable businesses that are strong employers.
- Business Plan – this should include:
 - A description of the businesses history and operations;
 - The experience of key personnel;
 - Details on the Company's past growth (it is crucial to highlight the company was viable before the outbreak of COVID-19);
 - Business strategy (what makes your business successful, what plans did you have for the future of your business and what will help you rebound from this slowdown);
 - Steps to address the COVID-19 related slowdown impact on your business (have you cut expenses, laid off employees).

How much should you ask for? We would recommend doing an analysis of your fixed operating costs. These include your rent, lease payments, insurance, employee compensation for employees that can not be laid off, monthly recurring bills. Depending on your personal outlook, we would recommend requesting enough money to cover at least 6 months of your operating costs.

We will continue to monitor and inform you of developments that may impact your business.

Best wishes,

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