

**MANITOBA HOTEL ASSOCIATION
HOSPITALITY SECTOR RELIEF PROGRAM
TERMS AND CONDITIONS**

The Government of Manitoba (“**Manitoba**”) will provide financial assistance under the Hospitality Sector Relief Program (“**HSRP**”) for the purpose of providing relief to hotels and motels impacted by COVID-19 public health orders (the “**Program**”). The Program shall be administered by the Manitoba Hotel Association (“**MHA**”) pursuant to these terms and conditions (“**Terms and Conditions**”). A total of \$6,000,000 is available for claims from Hotels (as defined below), less costs incurred by MHA to administer the Program.

An applicant that is determined to be a Hotel (a “**Participant**”) shall be entitled to receive financial assistance for Eligible Costs (as defined below) incurred for the period from March 20, 2020 to September 19, 2020 (the “**Eligible Cost Period**”). The Program’s Eligible Cost Period was selected so as to not overlap with the Canada Emergency Rent Subsidy (CERS), which many Hotels have applied for, and which began September 27, 2020.

Application Dates and Timelines

The deadline for applications is May 31, 2021, at 3:00pm (Central Daylight Time).

No applications will be accepted under any circumstance after this deadline.

Applicants will be notified as to whether or not their application has been approved. If it is approved, supporting documents will be requested.

For approved applicants, **the deadline for submission of supporting documents is June 14, 2021, at 3:00pm (Central Daylight Time).** No supporting documents will be accepted under any circumstance after this deadline (unless requested by MHA).

No exceptions will be made to the deadlines, and no extensions will be granted.

Eligibility

To be accepted as a Participant under the Program, an applicant must meet the definition of a Hotel by satisfying one of the following conditions:

- a) be a business located in the Province of Manitoba that holds a valid Retail Beer Vendor license or a valid Beverage Room license, or both, issued by the Liquor, Gaming and Cannabis Authority of Manitoba;

OR

- b) be a business in the Province of Manitoba

- (i) whose primary business is to rent, or offer for rent, lodging or the right to use lodging for temporary stays where guest rentals are primarily for periods of 30 days or less; **and**
- (ii) that has at least four guest rooms available for rent separately.

The definition of Hotel shall **not** include:

- Businesses that do not operate a hotel, motel or other qualifying establishment in the Province of Manitoba.
- Businesses that have received financial assistance under the Manitoba Lodges and Outfitters Association's component of the Hospitality Sector Relief Program.
- Businesses that hold a Resource Tourism Operator (RTO) License.
- Business entities that are not in good standing or are not registered with the Manitoba Companies Office.
- Businesses that do not have a valid and active Business Number.
- Businesses that are bankrupt or in receivership.
- Hostels or other accommodation establishments where the average rental rate for a room is \$30 or less per night or \$210 or less per week.
- Apartment or condominium buildings.
- Short-term rental units located in privately-owned homes, apartments and condominiums.
- Businesses that provide accommodation to patients or residents in a hospital, a sanatorium, a facility designated by regulations under *The Mental Health Act*, a personal care home licensed under *The Health Services Insurance Act* or a residential care facility licensed under *The Social Services Administration Act*.
- Dormitories or other accommodation provided by an educational institution.
- Accommodations supplied by employers to their employees in premises operated by or on behalf of the employer.
- Time-share or life-lease establishments.
- Campgrounds, tourist camps or trailer parks.

The determination as to whether the applicant satisfies the conditions of a Hotel shall be the sole and absolute determination of MHA, and such determination shall be final and binding.

Eligible Costs

Eligible Costs must have been paid in full by the Participant and must be any **one** of the following. **(Only one Eligible Cost can be submitted by a Participant.)**:

1. Property Tax

The Participant can claim property tax costs for the Hotel at its specified location incurred during the Eligible Cost Period.

Eligible:

School and Municipal taxes as appearing on the Participant's 2020 property tax bill for the Hotel (pro-rated for the Eligible Cost Period).

Not eligible:

Any outstanding interest or other charges, or amounts applicable to other years or for properties other than the location of the Hotel.

OR

2. Property Insurance

The Participant can claim property insurance premiums for the Hotel incurred during the Eligible Cost Period, using the same tests and eligibility criteria ([click here to view](#)) as the federal CERS program. The Participant may be asked to provide documentation to demonstrate they applied to the CERS program for one or more CERS reporting periods.

OR

3. Mortgage Interest

The Participant can claim mortgage interest for a mortgage loan on the Hotel incurred during the Eligible Cost Period, using the same tests and eligibility criteria ([click here to view](#)) as the federal CERS program. The Participant may be asked to provide documentation to demonstrate they applied to the CERS program for one or more CERS reporting periods. Participants should be aware that CERS program eligibility does not include some types of mortgages.

Only one application will be accepted per Hotel. An applicant with multiple Hotels may make a separate application for each Hotel. A Hotel is defined by its physical location.

Only one payment will be issued per Hotel physical location.

The determination as to whether the applicant satisfies the conditions of Eligible Costs shall be the sole and absolute determination of MHA, and such determination shall be final and binding.

An application that claims for more than one of the three categories of costs set out above is invalid, and none of the costs claimed in the application will be considered Eligible Costs in that event even if the applicant is a Hotel.

Disbursement to the Participant

The payment each Participant will receive is dependent on the total claims received from all Participants. Each Participant will receive a percentage of their Eligible Cost submission, which may not be equal to 100% of their Eligible Costs. A claim for Eligible Costs can be for an amount higher than \$70,000, but the amount that the Participant is eligible to receive is capped at the lesser of \$70,000 or the Participant's proportionate share of the aggregate of all Eligible Costs of all Participants. The calculation of the

allocation of the financial assistance under the Program shall be determined by the Manitoba Hotel Association in its sole and absolute discretion based on the Eligible Costs of each Participant relative to the aggregate of all Eligible Costs submitted by all Participants.

Payment to the Participant of any amount pursuant to the Program is conditional upon:

- (a) the Participant's compliance with these Terms and Conditions; and,
- (b) Manitoba's agreement to continue, and to appropriate funding to, the Program.

Participant's Covenants

In order to receive financial assistance from MHA, the Participant must affirm or declare to the satisfaction of MHA:

- That the Participant meets the definition of a Hotel outlined above.
- That the Participant has only claimed for one of the categories of Eligible Costs.
- That the Eligible Costs that are claimed relate entirely to the Eligible Cost Period.
- That the Eligible Costs have been paid in full.
- That the claim for Eligible Costs relate entirely and exclusively to the Hotel, and the costs, or portion of costs, of any other businesses or commercial activities have been excluded from the claim.
- That the Participant agrees to provide any additional information or documentation to the MHA in order to validate the costs as Eligible Costs and to determine the amount of such Eligible Costs.
- That the Participant is not bankrupt or in receivership.
- That the Participant is not in arrears for taxes owing to Manitoba on March 20, 2020 (i.e., before the first state of emergency), or that the Participant has since that date, rectified the amount in arrears (note: this does not include a Participant that has deferred tax remittances incurred between April and September 2020 and January to May 2021).
- That the Participant has applied for other applicable federal and provincial COVID-19 relief programs, including, but not limited to the Manitoba Bridge Grant and Canada Emergency Rent Subsidy.
- That the Participant is not claiming amounts that were already covered by another COVID-19 relief program for the Eligible Cost Period.

Representations and Warranties

By applying for the Program, every applicant is representing and warranting to the MHA that all materials and information that have been, and will be, provided by the applicant to the MHA in, and in connection with, the applicant's application, are, and will at all times be, true, complete and accurate and do not, and will not, omit any material facts necessary to make the application true, complete and accurate.

Review / Audit

To determine the effectiveness of the Program, it may be necessary that a review or audit be carried out by or on behalf of MHA or Manitoba. Such a review or audit may involve surveys, interviews, and analysis of data and information available to the applicant. By applying for the Program, every applicant irrevocably agrees to participate in any such review or audit and make any and all information and records available upon request from MHA or Manitoba.

Default and Remedies

In the event that an applicant has:

- (a) submitted fraudulent, false or misleading information or has made misrepresentations to MHA; or
- (b) not substantially met or satisfied any of these Terms and Conditions,

and notwithstanding anything herein contained to the contrary, MHA may require that the applicant repay any and all amounts received under the Program, plus other reasonable expenses incurred by the MHA in the preparation and administration of these Terms and Conditions including, but not limited to, legal and accounting fees. The rights and remedies specifically set out in this section are cumulative and are not exclusive of any other rights or remedies the MHA might otherwise have.

Indemnification

BY APPLYING FOR THE PROGRAM, THE APPLICANT IRREVOCABLY COVENANTS AND AGREES TO BE SOLELY RESPONSIBLE FOR, AND SHALL INDEMNIFY AND HOLD HARMLESS, MHA AND MANITOBA AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS AND DEMANDS, LOSSES, DAMAGES, COSTS, EXPENSES, ECONOMIC LOSSES, ACTIONS AND OTHER PROCEEDINGS BY WHOMSOEVER MADE, SUSTAINED, BROUGHT, PROSECUTED, THREATENED TO BE BROUGHT OR PROSECUTED IN ANY MANNER, BASED UPON, OCCASIONED BY, ATTRIBUTABLE TO, OR ARISING DIRECTLY OR INDIRECTLY FROM:

- (a) ANY MISREPRESENTATION, OR FALSE OR MISLEADING STATEMENT, MADE IN THE APPLICATION OR IN ANY SUPPORTING MATERIALS PROVIDED TO MHA;
- (b) ANY BREACH OF ANY OF THESE TERMS AND CONDITIONS BY THE APPLICANT OR ITS OFFICERS, EMPLOYEES OR AGENTS; AND
- (c) ANY OMISSION OR ANY WILFUL OR NEGLIGENT ACT OF THE APPLICANT OR ITS OFFICERS, EMPLOYEES OR AGENTS.

THE APPLICANT HEREBY FURTHER COVENANTS AND AGREES TO INDEMNIFY AND HOLD HARMLESS MHA AND MANITOBA AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS WHATSOEVER RELATING TO THE PROGRAM AND THE ADMINISTRATION OF THE PROGRAM BY MHA, SUBJECT ONLY TO THE GROSS NEGLIGENCE OF OR WILLFUL MISCONDUCT BY MHA.

THE APPLICANT ACKNOWLEDGES THAT BY ADMINISTERING THE PROGRAM, NEITHER MHA NOR MANITOBA HAVE ANY RESPONSIBILITY FOR THE FINANCIAL PERFORMANCE OF THE APPLICANT'S BUSINESS, NOR FOR APPLICANT'S USE OF ANY FINANCIAL ASSISTANCE RECEIVED UNDER THE PROGRAM.

The Participant hereby acknowledges and agrees that Manitoba is a third party beneficiary of this section and Manitoba has the right to enforce this section.

Third Party Beneficiary

The Applicant acknowledges that the funding for the Program (the "**Fund**") is provided by Manitoba and that MHA is subject to a contribution agreement with Manitoba. By applying for the Program, the Applicant irrevocably agrees:

(a) to grant representatives of Manitoba and/or MHA access to all information related to the applicant's application, including all costs claimed as Eligible Costs and all activities performed, and expenditures incurred, by the Participant, in respect of or relevant to the Program;

(b) that Manitoba and/or MHA may release or cause to be released to the public and publish or caused to be published by any means the payment or the amount of the payment made to each Participant pursuant to the Program and these Terms and Conditions; and,

(c) to provide support and photos for the development of articles to be used in Manitoba and/or MHA's publications, public websites or both. It is understood that, in accepting funding pursuant to these Terms and Conditions, the Participant agrees to provide support and photos when called upon to do so.

The applicant hereby designates Manitoba as a third party beneficiary of this section, having the right to enforce this section.

Governing Law

These Terms and Conditions, and all matters arising out of or relating to these Terms and Conditions, shall be governed by and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein, without reference to conflict of laws provisions.