

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

ZSD ELECTRIC INC.

Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and
s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the
Personal Property Security Act, R.S.O. 1990, c. P.10 and
Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

APPLICATION RECORD

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TAB 1

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Personal Property Security Act, R.S.O. 1990, c. P.10 and
Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

On Friday, October 17, 2025 at 10:00 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 28, 2025

Issued by

**Tanya
Shah**

Digitally signed by
Tanya Shah
Date: 2025.07.28
15:27:52 -04'00'

Local Registrar

Address of

court office: 7755 Hurontario Street, Brampton, ON, L6W
4T1

TO: See attached Service List

SERVICE LIST

1. **ZSD Electric Inc.**
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2
Email: dzammit@zsd.ca
2. **2262525 Ontario Inc.**
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2
Email: dzammit@zsd.ca
3. **Dennis Zammit**
1231 Martins Boulevard
Brampton, ON L6Y 0A1
Email: dzammit@zsd.ca
4. **Regency Law Group**
194 James Street South
Hamilton, ON L8P 3A7
Attention: Steven C. Singh
Email: ssingh@regencylawgroup.ca
Lawyers for the Respondent
5. **TD Auto Finance (Canada) Inc.**
P.O. Box 4086, Station A
Toronto, ON M5W 5K3
6. **Canada Revenue Agency, Legal Services**
555 McKenzie Road
Ottawa, ON K1A 0L5
Email: collections@justice.gc.ca
7. **Canada Revenue Agency, Legal Services**
1 Front Street West
Toronto, ON M5J 2X6
Email: AGC-PGC.Toronto-Tax-Fiscal@justice.ca
8. **HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE**
P.O. Box 620, 33 King Street West, 6th Floor
Oshawa, ON L1H 8E9
Email: Insolvency.Unit@ontario.ca

9. **msi Spergel inc. – Licensed Insolvency Trustees**

200 Yorkland Boulevard, Suite 1100

Toronto, ON M2J 5C1

Attention: Mukul Manchanda, CPA, CIRP, LIT

Email: mmanchanda@spergel.ca

Proposed Receiver

APPLICATION

- (a) The applicant, Royal Bank of Canada (the “**Bank**”), makes application for:
- (i) an order, if necessary, dispensing with service and filing of the within application, declaring that service of this application has been validly effected on all necessary parties and declaring that this application is properly returnable on Friday, October 17, 2025 at 10:00 a.m. in Brampton, Ontario, or as soon thereafter as this application can be heard;
 - (ii) an order pursuant to s. 101 of the Courts of Justice Act, R.S.O. 1990, c. C-43 (the “**CJA**”) and/or s. 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3 (the “**BIA**”) and/or ss. 67(1) (a) and (e) of the Personal Property Security Act R.S.O. 1990 c.P.10 (the “**PPSA**”) appointing msi Spergel inc. (“**Spergel**”) as Court-appointed receiver (in such capacity, the “**Receiver**”), without security, over all of the assets, undertakings and property of the respondent, ZSD Electric Inc. (the “**Debtor**”);
 - (iii) an order ancillary to the receivership requested above in the form of the draft order annexed hereto as Schedule “A”, as a result of the circumstances described in the affidavit filed in support of this application;
 - (iv) costs of the application on a substantial indemnity basis; and
 - (v) such further and other relief as this Honourable Court may deem just.

- (b) The grounds for the application are:

The Parties and Brief Background

- (c) At all material times, the Bank was constituted as the senior secured creditor of the Debtor pursuant to the Credit Facilities and the Security (as these terms are described and defined below);
- (d) The Debtor is incorporated pursuant to the laws of Ontario and operates as an electrical contractor from a premises located in Mississauga, Ontario. Dennis Zammit (“**Mr. Zammit**”) is the sole registered director and officer of the Debtor. As outlined below, Mr. Zammit has also

guaranteed the Debtor's indebtedness to the Bank, which guarantee is limited to the principal amount of \$1,200,000.00;

(e) The Debtor is indebted to the Bank pursuant to the Credit Facilities and the Security in the amount of \$908,412.79 as of May 6, 2025 (exclusive of further accrued interests and costs incurred by the Bank;

(f) By way of brief summary, as is set out below, the Debtor's accounts with the Bank were transferred to the Special Loans and Advisory Service ("**SLAS**") on April 5, 2024 as a result of, among other things, its accounts being overdrawn and its required financial reporting not being provided to the Bank. The Bank has since learned of significant priority payable arrears owing by the Debtor. Despite the Bank's attempts to assist and accommodate the Debtor while it purportedly attempted to secure alternate financing in order to repay its indebtedness to the Bank under the Credit Facilities, numerous and ongoing defaults under the Credit Facilities and the Security were not remedied. Further, the Debtor has refused to enter into a forbearance agreement on terms acceptable to the Bank. Therefore, and pursuant to the Credit Facilities, the Bank issued demands for repayment of the full indebtedness owing, which demands expired on September 16, 2024. The Debtor has been unable to repay its indebtedness to the Bank following the Bank's demand. Moreover, the Debtor has failed or refused to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk. It is therefore the Bank's view that the Debtor is insolvent such that it is appropriate, and just and convenient, to appoint a receiver in the circumstances;

The Bank's Loan and Security

(g) In accordance with the terms of credit and loan agreements dated March 31, 2020 and June 28, 2021, as same may have been amended, varied or restated from time to time, the Bank granted to the Debtor an operating line of credit in the amount of \$700,000.00, a Highly Affected Sectors Credit Availability Program ("**HASCAP**") loan in the amount of \$250,000.00 (the "**Term Loan**") and a credit card facility in the maximum amount of \$150,000.00 (collectively, the "**Credit Facilities**");

(h) The Credit Facilities provide, among other things, that:

- (i) The Debtor is required to make all payments that are required to be made pursuant to the Credit Facilities as and when due;
- (ii) The Debtor is required to comply with certain financial covenants and reporting requirements to the Bank, including delivering to the Bank such financial and other information and documentation that the Bank may reasonably require;
- (iii) All priority payables, including source deduction and HST remittances, are to be kept current;
- (iv) The Debtor is required to cooperate with the Bank to obtain copies of the Debtor's records or other information and/or to collect information from any person regarding any potential priority payables; and
- (v) It is an event of default, entitling the Bank to cancel the Credit Facilities, demand repayment in full, and to realize on its Security if, among other things;
 - 1. The Debtor fails to pay to the Bank any principal, interest or other amount as and when due;
 - 2. The Debtor, or any guarantor, fails to observe any covenant, provision, term or condition contained in the Credit Facilities or the Security;
 - 3. There is a material deterioration in the financial condition of the Debtor or any guarantor; or,
 - 4. The Debtor fails to immediately advise the Bank of any event of default.

(i) It was a condition of granting the Credit Facilities by the Bank to the Debtor that the Debtor grant the following security to the Bank (hereinafter collectively referred to as the "**Security**"), *inter alia*;

- (i) A general security agreement executed by the Debtor in favour of the Bank, dated June 23, 2015 (the "**GSA**");
- (ii) The guarantee and postponement of claim of 2262525 Ontario Inc. (the "**Corporate Guarantor**") limited to the principal amount of \$455,000.00, dated June 23, 2015,

and which corporate guarantee was supported by a general security agreement executed by the Corporate Guarantor in favour of the Bank, dated June 23, 2015;

(iii) The guarantee and postponement of claim of Mr. Zammit limited to the principal amount of \$1,200,000.00, dated May 18, 2023; and

(iv) The postponements and assignments of claim of Mr. Zammit and the Corporate Guarantor dated June 23, 2015.

(j) The Security expressly provides that the Bank is entitled to appoint a receiver in the event of default;

(k) The Bank's security interest granted by the GSA was perfected by registration pursuant to the PPSA on December 18, 2014. The results of an April 29, 2025 search of the PPSA registry confirm that as of April 29, 2025, in addition to the Bank, there is one other secured creditor, being TD Auto Finance (Canada) Inc.;

Transfer to SLAS and Defaults under the Credit Facilities and Security

(l) The Debtor has a lengthy history of default under the terms and conditions of the Credit Facilities and the Security. As a result, the Debtor's accounts were initially referred to the Bank's SLAS unit, because of, among other things:

(i) The Debtor's apparent cash flow difficulties, having exhausted the Credit Facilities and the non-revolvement of the line of credit;

(ii) Delinquencies and excesses over the prior year;

(iii) The Debtor's failure or refusal to provide financial reporting to the Bank when due or requested; and

(iv) The evident deterioration in the Debtor's financial condition and affairs.

(m) On April 5, 2024, the Bank confirmed with the Debtor that its accounts had been transferred to SLAS for the foregoing reasons. The account manager with carriage of the Debtor's accounts spoke with Mr. Zammit on April 9, 2025 to confirm the foregoing and request that he provide the Bank with specific financial reporting, including among others:

- (i) The Debtor's internally prepared financial statements for the period of November 1, 2023 to March 31, 2024;
 - (ii) The Debtor's most recent aged accounts payable and receivable report;
 - (iii) The Debtor's most recent CRA statements showing the amount owing with respect to HST, payroll source deductions and corporate HST remittances; and
 - (iv) A 13 week forecast cash flow statement and income statement.
- (n) Throughout June and July 2024, the Bank continued to express concern to the Debtor about delayed financial reporting and the continued evidence of the deterioration in the Debtor's financial condition and affairs, including overdrawn accounts;
- (o) On September 5, 2024, the Bank reiterated its concerns to the Debtor with respect to the non-revolvement of the line of credit, the interim financial statements showing a loss of \$770,000.00 for the period of November 2023 to July 2024 and the apparent financial deterioration of the Debtor given the limited financial reporting which was provided. The Bank also noted arrears in HST remittances in the approximate amount of \$33,000.00 and source deduction arrears of \$4,000.00. As a result of the foregoing, the Bank advised the Debtor that it would be engaging legal counsel to demand repayment of the Credit Facilities;

Defaults under the Credit Facilities and Security, and Demands for Payment

- (p) As a result of the foregoing and ongoing defaults by the Debtor, the Bank instructed its legal counsel to issue formal demands payment to the Debtor and the guarantors. By letter dated September 6, 2024, the Bank demanded payment of the indebtedness owing by the Debtor to the Bank by September 16, 2024. The Bank further delivered to the Debtor a notice of intention to enforce security ("NITES") in accordance with section 244 of the BIA;
- (q) As of September 4, 2024, the Debtor's aggregate indebtedness to the Bank pursuant to the Credit Facilities totaled \$851,150.64 (exclusive of further accrued interest, fees, disbursements, costs and HST);
- (r) Further, the Debtor has continued to allow the Credit Facilities to be overdrawn. On February 6, 2025, the Bank wrote to the Debtor confirming that the Credit Facilities were

overdrawn in the amount of \$4,522.90 and requiring that the Debtor bring the account into good standing by the end of the day, and further confirmed that the Debtor had continued to fail to provide the financial reporting due by January 28, 2025;

Recent Developments

The Debtor Refuses to Enter into a Forbearance Agreement

(s) Over the course of September 2024 through January 2025, counsel for the Bank and the Debtor canvassed the possibility of the parties entering into a forbearance agreement to accommodate the Debtor while it sought alternate financing in order to repay its indebtedness to the Bank under the Credit Facilities. By way of brief summary in this regard:

- (i) From in or about mid-September 2024 to mid-October 2024, counsel for the parties canvassed possible forbearance terms;
 - (ii) On October 18, 2024, counsel for the Debtor confirmed that the Debtor agreed to the Bank's proposed forbearance terms, as had been previously canvassed by counsel;
 - (iii) On November 4, 2024, counsel for the Bank provided counsel for the Debtor with the Bank's proposed forbearance agreement;
 - (iv) Thereafter, from early-November 2024 to early January 2025, counsel for the parties had various exchanges in respect of finalizing and executing the proposed forbearance agreement; and
 - (v) On January 8, 2025, despite having previously confirmed that the Debtor had agreed to the Bank's proposed forbearance terms, counsel for the Debtor confirmed that the Debtor would not be entering into a forbearance agreement.
- (t) Given the foregoing, the Bank is of the view that that there is no prospect of entering into a forbearance agreement with the Debtor on reasonable terms acceptable to the Bank;
- (u) The Debtor has failed to provide any plan for refinancing or otherwise exiting the relationship with the Bank, despite being advised throughout, from September 2024 to date, that the Bank wished to exit the banking relationship and would not continue advancing credit

to the Debtor. As such, the Bank has lost confidence in the Debtor and has no confidence that the Debtor is willing or able to secure alternate financing or establish any plan that will result in the Bank being repaid, and that the Bank's position will not further deteriorate in the interim;

The Debtor is Insolvent and the Bank's Position is Deteriorating

(v) The Debtor has consistently been unable to meet its obligations to the Bank leaving the Bank with no alternative but to seek the appointment of a receiver to protect the Bank's Security;

(w) As of May 6, 2025, the Debtor's aggregate indebtedness to the Bank pursuant to the Credit Facilities totaled \$908,412.79 (exclusive of further accrued interest, fees, disbursements and costs) as follows:

Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,019.67	19.99%
Converted Credit Card Term Loan	07512 69477347 009	\$149,985.47	19.99%
Auto Loan	04128 58781387 001	\$12,356.20	
HASCAP Loan	07512 69477347 002	\$27,872.29	4.00%
Royal Credit Line	07512 69477347 001	\$706,187.31	7.00%
Fees, Disbursements and Costs			
			Total: \$908,412.79

(x) As of May 6, 2025, the above noted indebtedness is inclusive of: a motor vehicle loan, which was 54 days in arrears; the Royal Credit Line, which was overdrawn in the amount of \$6,187.31 and was 26 days in arrears; and the HASCAP loan, which was 31 days in arrears;

(y) Further, the Bank has learned that the Debtor has failed to keep priority payables current, including its HST and source deductions remittances, with a history of late payments and arrears owing;

(z) Finally, it appears that the Debtor has ceased carrying out its day-to-day banking with the Bank, given that there have been essentially no deposits to the Debtor's accounts with the Bank since on or about March 28, 2025. This would constitute a breach of the terms of the Credit

Facilities and the Security requiring that the Debtor bank with the Bank, and would put the Debtor's deposits, which are subject to the Bank's security, beyond the reach of the Bank;

(aa) Pursuant to the Credit Facilities and the Security, including the GSA, the Debtor is required to provide the Bank with the following financial information/disclosure, amongst others:

- (i) To provide such financial and operating statements and reports as and when required by the Bank, and to promptly provide to the Bank such information, reports, certificates and other documents regarding the Debtor as the Bank may request from time to time;
- (ii) To report on the status of priority payables, including HST and source deduction remittances; and
- (iii) To provide all financial information relating to the Debtor as the Bank may reasonably require.

(bb) Despite repeated requests, the Debtor has failed to provide all of the information and documentation requested by the Bank. While the Debtor has provided some information and documentation requested by the Bank through its lawyer, this documentation is incomplete and had been provided in an untimely and piecemeal fashion following repeated requests by the Bank and its counsel throughout late 2024 and early 2025;

(cc) Given these ongoing reporting breaches, on February 27, 2025, the Bank issued a non-tolerance breach letter to the Debtor requiring that it provide to the Bank by no later than March 13, 2025:

- (i) Annual aged list of accounts receivable and aged list of accounts payable for the Debtor, within 90 days of each fiscal year end;
- (ii) Annual notice to reader financial statements for the Debtor and the Corporate Guarantor, within 90 days of each fiscal year end;

- (iii) Annual personal statement of affairs for Mr. Zammit within 90 days of the end of every second fiscal year of the Debtor, commencing with the fiscal year ending in 2021; and
- (iv) Copies of current CRA assessments/statements showing status of HST and source remittances for the Debtor, up to January 31, 2025.

(dd) On March 25, 2025, counsel for the Bank confirmed that the Bank's previous requests for the financial reporting set out in the Bank's breach letter of February 27, 2025 were ignored and required that the Debtor provide reporting on the status of its priority payables, including the status of the Debtor's HST and source deduction remittances, along with CRA statements regarding same by no later than the end of business on March 28, 2025;

(ee) On April 1, 2025, Debtor's counsel provided some of reporting requested by the Bank. By correspondence to the Debtor dated April 8, 2025, the Bank responded to the reporting provided by the Debtor as follows:

Your below email and the reporting provided by your client confirm the following:

- Accounts payable of \$1,311,562.02, with \$1,041,073.56 of this amount over 90 days past due;
- Accounts receivable of only \$515,615.91, with \$158,056.94 over 90 days;
- Profit of only \$100,526.67 for the period of Nov. 2024 to Mar. 2025;
- HST arrears of \$132,453.49;
- Payroll arrears of \$4,538.80;
- Balance sheet as of July 31/24 show liabilities exceeding assets by \$2,483,887.91;
- A net loss of \$849,588.97 for the 2024 fiscal year;
- No realistic or acceptable plan to repay the Bank

Further, the Bank has confirmed the following further breaches as of this morning:

- Neither the company nor the corporate guarantor have provided their accountant prepared financial statements by January 31, 2025, as required pursuant to their reporting obligations;
- The line of credit was overdrawn by \$2,416;
- The current account was overdrawn by \$8,000; and
- The company's auto loan is 26 days delinquent.

It is evident that the company is insolvent and the Bank's position is deteriorating. In the circumstances, and given that your client refused to sign the forbearance agreement proposed by the Bank, the Bank was left with no alternative but to (i) close the line of credit and convert the balance to a non-accrual loan, and (ii) bring a receivership motion for the appointment of a court-appointed receiver to realize on the Bank's security. Please note in this regard that the line has now been closed and our receivership motion material will follow under separate cover in due course.

(ff) The foregoing confirms that the Debtor is insolvent. Further, the Debtor's repeated refusal to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk, in addition to the evident deterioration in its financial affairs has left the Bank with no alternative but to enforce its security through the appointment of a receiver;

The Necessity for the Appointment of a Receiver

(gg) To date, the Debtor has repeatedly failed to repay the indebtedness owing to the Bank despite attempts by the Bank to provide the Debtor with an opportunity to address the Bank's concerns;

(hh) The conduct of the Debtor as detailed above, including refusing to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk, has left the Bank with no alternative but to enforce its security through the appointment of a receiver;

(ii) The Bank's original demand for payment and NITES expired on September 16, 2024, such that the Bank is entitled to enforce the Security;

(jj) The Bank is contractually and statutorily entitled to the appointment of a receiver pursuant to the Bank's GSA, and its standard charge terms, the BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Debtor's numerous defaults as outlined herein;

(kk) The Debtor has failed to put forth any type of repayment or restructuring plan. This again leaves the Bank with no alternative but to enforce its security through the appointment of a receiver;

(ll) As a result of the foregoing and given the amount of the Debtor's indebtedness to the Bank, totalling \$908,412.74 as of May 6, 2025 (exclusive of further accrued interest and costs,

fees and disbursements incurred by the Bank), the Bank is concerned by these events given that they jeopardize the Bank's Security and any potential realization therefrom;

(mm) The Security held by the Bank is in jeopardy and it is necessary for a receiver to take control of the assets, undertakings and property of the Debtor to ensure the Debtor's assets are dealt with in an orderly and proper manner. In this regard, Spergel, a duly qualified receiver, has consented to act as Court-appointed receiver of the Debtor;

(nn) In light of the foregoing, the appointment of a receiver is just and equitable in the circumstances and necessary for the protection of the Debtor's property and for the protection of the interests of the Bank;

(oo) Section 101 of the CJA;

(pp) Section 243 of the BIA;

(qq) Section 67 of the PPSA;

(rr) Rules 1.04, 2.03, 3.02, 14.05(2), (3) (g), (h), 38 and 41 of the *Rules of Civil Procedure*; and

(ss) Such further and other grounds as counsel may advise.

(tt) The following documentary evidence will be used at the hearing of the application:

- (i) The Affidavit of Yatri Vagadia, sworn June 18, 2025 and the Exhibits thereto;
- (ii) The Consent of Spergel to act as Court-appointed receiver/manager; and
- (iii) Such further and other evidence as the lawyers for the applicant may advise and this Honourable Court may permit.

Date: July 28, 2025

SOLOWAY WRIGHT LLP

Lawyers

700-427 Laurier Avenue West

Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

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613-236-0111 telephone

613-238-8507 facsimile

Lawyers for the applicant, Royal Bank of
Canada

SCHEDULE "A"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ____ DAY
JUSTICE)
OF _____, 202__.

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

ZSD ELECTRIC INC.

Respondent

ORDER

THIS APPLICATION made by the applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties (all of which are hereinafter collectively referred to as the "Property"), of the respondent, ZSD Electric Inc. (the "Debtor"), acquired for, or used in relation to a business carried out by the Debtor, was heard this day at the Courthouse, 7755 Hurontario Street, Brampton, ON, L6W 4T1.

ON READING the Affidavit of Yatri Vagadia, sworn on June 18, 2025 and the Exhibits thereto, the Factum and Authorities of the applicant, on hearing the submissions of counsel for the parties present, no one else appearing on behalf of any other parties on the Service List although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on July ●, 2025 and on reading the consent of msi Spergel inc., dated June 5, 2025 to act as the Receiver in respect of the assets of the Debtor referred to herein,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel inc., is hereby appointed Receiver, without security, of all of the Property of the Debtor acquired for, or used in relation to a business carried out by the Debtor, including all proceeds thereof.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service

provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of

the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor

or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND ANTI-SPAM LEGISLATION

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a

Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute the Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the

Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/sci/practice/regional-practice-directions/eservice->

[commercial/#part III The E-Service List/](#)) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (the “Rules”) this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<@>’.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor’s creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that notwithstanding the engagement of Soloway Wright LLP as counsel for the applicant in bringing this application, the Receiver may engage Soloway Wright LLP as its legal counsel in respect of matter where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts,

tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. THIS COURT ORDERS that the Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of ZSD Electric Inc. (the "Debtor"), acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ____ day of _____, 2025 (the "Order") made in an action having Court file number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20____.

[_____]

By: _____

Name:

Title:

Debtor/Firm:

ROYAL BANK OF CANADA
Applicant

-and- ZSD ELECTRIC INC.
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s.
243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e)
of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and
Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT BRAMPTON

NOTICE OF APPLICATION

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Lawyers for the applicant, Royal Bank of Canada

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

ZSD ELECTRIC INC.

Respondent

**AFFIDAVIT OF YATRI VAGADIA
(sworn on June 18, 2025)**

I, Yatri Vagadia, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am a Senior Manager, Special Loans and Advisory Services ("SLAS") with the applicant, Royal Bank of Canada (the "**Bank**"). I have primary responsibility for the administration of the credit facilities granted by the Bank to the respondent, ZSD Electric Inc. (the "**Debtor**"). As such, I have personal knowledge of the matters to which I hereinafter depose, except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief and verily believe same to be true.
2. I make this affidavit in support of the Bank's motion for an order appointing msi Spergel inc. ("**Spergel**") as receiver, without security, of the assets, undertakings and properties of the Debtor pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the "**BIA**"), the *Courts of Justice Act* ("**CJA**") and the *Personal Property Security Act* (the "**PPSA**").

The Parties and Brief Description of the Debtor

3. At all material times, the Bank was constituted as the senior secured creditor of the Debtor pursuant to the Credit Facilities and the Security (as these terms are described and defined below).

4. The Debtor is incorporated pursuant to the laws of Ontario and operates as an electrical contractor from a premises located in Mississauga, Ontario. Attached hereto as Exhibit "A" is a true copy of the corporate profile report for the Debtor, which confirms that Dennis Zammit ("Mr. Zammit") is the sole registered director and officer of the Debtor. As outlined below, Mr. Zammit has also guaranteed the Debtor's indebtedness to the Bank, which guarantee is limited to the principal amount of \$1,200,000.00.

5. The Debtor is indebted to the Bank pursuant to the Credit Facilities and the Security in the amount of \$908,412.79 as of May 6, 2025 (exclusive of further accrued interests and costs incurred by the Bank).

6. By way of brief summary, as is set out below, the Debtor's accounts with the Bank were transferred to SLAS on April 5, 2024 as a result of, among other things, its accounts being overdrawn and its required financial reporting not being provided to the Bank. The Bank has since learned of significant priority payable arrears owing by the Debtor. Despite the Bank's attempts to assist and accommodate the Debtor while it purportedly attempted to secure alternate financing in order to repay its indebtedness to the Bank under the Credit Facilities, numerous and ongoing defaults under the Credit Facilities and the Security were not remedied. Further, the Debtor has refused to enter into a forbearance agreement on terms acceptable to the Bank. Therefore, and pursuant to the Credit Facilities, the Bank issued demands for repayment of the full indebtedness owing, which demands expired on September 16, 2024. The Debtor has been unable to repay its indebtedness to the Bank following the Bank's demand. Moreover, the Debtor has failed or refused to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk. It is therefore the Bank's view that the Debtor is insolvent such that it is appropriate, and just and convenient, to appoint a receiver in the circumstances.

The Bank's Loans and Security

7. In accordance with the terms of credit and loan agreements dated March 31, 2020 and June 28, 2021, as same may have been amended, varied or restated from time to time, the Bank granted to the Debtor an operating line of credit in the amount of \$700,000.00, a Highly Affected Sectors Credit Availability Program ("HASCAP") loan in the amount of \$250,000.00 (the "Term Loan") and a credit card facility in the maximum amount of \$150,000.00 (collectively, the "Credit Facilities"). Attached as Exhibit "B" is a true copy of the Credit Facilities.

8. The Credit Facilities provide, among other things, that:

- a. The Debtor is required to make all payments that are required to be made pursuant to the Credit Facilities as and when due;
- b. The Debtor is required to comply with certain financial covenants and reporting requirements to the Bank, including delivering to the Bank such financial and other information and documentation that the Bank may reasonably require;
- c. All priority payables, including source deduction and HST remittances, are to be kept current;
- d. The Debtor is required to cooperate with the Bank to obtain copies of the Debtor's records or other information and/or to collect information from any person regarding any potential priority payables; and
- e. It is an event of default, entitling the Bank to cancel the Credit Facilities, demand repayment in full, and to realize on its Security if, among other things:
 - i. The Debtor fails to pay to the Bank any principal, interest or other amount as and when due;
 - ii. The Debtor, or any guarantor, fails to observe any covenant, provision, term or condition contained in the Credit Facilities or the Security;

iii. There is a material deterioration in the financial condition of the Debtor or any guarantor; or,

iv. The Debtor fails to immediately advise the Bank of any event of default.

9. It was a condition of granting the Credit Facilities by the Bank to the Debtor that the Debtor grant the following security to the Bank (hereinafter collectively referred to as the **"Security"**), *inter alia*:

- a. A general security agreement executed by the Debtor in favour of the Bank, dated June 23, 2015 (the **"GSA"**), a true copy of which is attached as **Exhibit "C"**;
- b. The guarantee and postponement of claim of 2262525 Ontario Inc. (the **"Corporate Guarantor"**) limited to the principal amount of \$455,000.00, dated June 23, 2015, a true copy of which is attached as **Exhibit "D"**, and which corporate guarantee was supported by a general security agreement executed by the Corporate Guarantor in favour of the Bank, dated June 23, 2015, a true copy of which is attached as **Exhibit "E"**;
- c. The guarantee and postponement of claim of Mr. Zammit limited to the principal amount of \$1,200,000.00, dated May 18, 2023, a true copy of which is attached as **Exhibit "F"**; and
- d. The postponements and assignments of claim of Mr. Zammit and the Corporate Guarantor dated June 23, 2015, true copies of which are attached as **Exhibit "G"**.

10. The Security expressly provides that the Bank is entitled to appoint a receiver in the event of default (see for example para. 13(a) of the GSA attached as **Exhibit "C"**).

11. The Bank's security interest granted by the GSA was perfected by registration pursuant to the PPSA on December 18, 2014. The results of an April 29, 2025 search of the PPSA registry are attached hereto as **Exhibit "H"**, and confirm that as of April 29, 2025, in addition to the Bank, there is one other secured creditor, being TD Auto Finance (Canada) Inc.

Transfer to SLAS and Defaults under the Credit Facilities and Security

12. The Debtor has a lengthy history of default under the terms and conditions of the Credit Facilities and the Security. As a result, the Debtor's accounts were initially referred to the Bank's SLAS unit, because of, among other things:

- a. The Debtor's apparent cash flow difficulties, having exhausted the Credit Facilities and the non-revolvement of the line of credit;
- b. Delinquencies and excesses over the prior year;
- c. The Debtor's failure or refusal to provide financial reporting to the Bank when due or requested; and
- d. The evident deterioration in the Debtor's financial condition and affairs.

13. On April 5, 2024, the Bank confirmed with the Debtor that its accounts had been transferred to SLAS for the foregoing reasons. I spoke with Mr. Zammit on April 9, 2025 to confirm the foregoing and request that he provide me with specific financial reporting, including among others:

- a. The Debtor's internally prepared financial statements for the period of November 1, 2023 to March 31, 2024;
- b. The Debtor's most recent aged accounts payable and receivable report;
- c. The Debtor's most recent CRA statements showing the amount owing with respect to HST, payroll source deductions and corporate HST remittances; and
- d. A 13 week forecast cash flow statement and income statement.

Attached hereto as **Exhibit "I"** is a copy of email correspondence throughout April 2024 confirming the foregoing.

14. On June 11, 2024, I wrote to the Debtor to confirm our discussion which took place that day. I confirmed that the Bank was concerned about delayed financial reporting for the 2023 financial year, and the continued evidence of the deterioration in the Debtor's financial condition and affairs. I requested that the Debtor provide the Bank with the required financial information by the 5th day of each month.

15. On July 8, 2024, I wrote to the Debtor to follow up on my email of June 13, 2024, confirming that the Debtor had not provided the financial reporting requested by July 5, 2024, and confirming that the Bank will require certain reporting on a monthly basis, including CRA statements with respect to priority payables, a monthly statement indicating the expected revenue and the details of the Debtor's accounts receivable. Attached hereto as **Exhibit "J"** is a true copy of the foregoing emails of June 13 and July 8, 2024.

16. On July 9, 2024, I wrote to the Debtor to confirm that the Debtor's accounts were overdrawn and requested that it immediately bring them current. Attached hereto as **Exhibit "K"** is a copy of the email correspondence setting out the above.

17. On August 7, 2024, I wrote to the Debtor to confirm that the Debtor's accounts were once again overdrawn and requested that it immediately bring them current. I also required that the Debtor provide the financial reporting and documents which were due on August 5, 2024 and had not been provided. The Debtor responded by providing the requested documents and bringing the overdrawn account current. Attached hereto as **Exhibit "L"** is a copy of my email dated August 7, 2024.

18. On September 5, 2024, I reiterated my concerns to the Debtor with respect to the non-revolvement of the line of credit, the interim financial statements showing a loss of \$770,000.00 for the period of November 2023 to July 2024 and the apparent financial deterioration of the Debtor given the limited financial reporting which was provided. I also noted arrears in HST remittances in the approximate amount of \$33,000.00 and source deduction arrears of \$4,000.00. I also confirmed that the Debtor had refused the Bank's recommendation to retain a financial consultant. As a result of the foregoing, I advised the Debtor that the Bank would be

engaging legal counsel to demand repayment of the Credit Facilities. Attached hereto as **Exhibit “M”** is a copy of my email dated September 5, 2024.

Defaults under the Credit Facilities and Security, and Demands for Payment

19. As a result of the foregoing and ongoing defaults by the Debtor, the Bank instructed its legal counsel to issue formal demands payment to the Debtor and the guarantors. By letter dated September 6, 2024, the Bank demanded payment of the indebtedness owing by the Debtor to the Bank by September 16, 2024. The Bank further delivered to the Debtor a notice of intention to enforce security (“NITES”) in accordance with section 244 of the BIA. Attached hereto as **Exhibit “N”** are true copies of the Bank’s demand letter to the Debtor enclosing the NITES.

20. As of September 4, 2024, the Debtor’s aggregate indebtedness to the Bank pursuant to the Credit Facilities totaled \$851,150.64 (exclusive of further accrued interest, fees, disbursements, costs and HST), as follows:

Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,195.47	19.99%
Credit Card	**** * 9364	\$1,767.32	19.99%
Credit Card	**** * 3176	\$50.00	19.99%
Credit Card	**** * 1023	\$134,850.67	19.99%
HASCAP Loan	07512 69477347 002	\$76,648.52	\$8.37 (per diem)
Royal Credit Line	07512 69477347 001	\$636,638.66	\$152.11 (per diem)
		Total: \$851,150.64	

21. Further, the Debtor has continued to allow the Credit Facilities to be overdrawn. On February 6, 2025, I wrote to the Debtor confirming that the Credit Facilities were overdrawn in the amount of \$4,522.90 and requiring that the Debtor bring the account into good standing by the end of the day. I further confirmed that the Debtor had continued to fail to provide the financial reporting due by January 28, 2025. Attached hereto as **Exhibit “O”** is a copy of my email dated February 6, 2025.

Recent Developments***The Debtor Refuses to Enter into a Forbearance Agreement***

22. Over the course of September 2024 through January 2025, counsel for the Bank and the Debtor canvassed the possibility of the parties entering into a forbearance agreement to accommodate the Debtor while it sought alternate financing in order to repay its indebtedness to the Bank under the Credit Facilities. By way of brief summary in this regard:

- a. From in or about mid-September 2024 to mid-October 2024, counsel for the parties canvassed possible forbearance terms.
- b. On October 18, 2024, counsel for the Debtor confirmed that the Debtor agreed to the Bank's proposed forbearance terms, as had been previously canvassed by counsel.
- c. On November 4, 2024, counsel for the Bank provided counsel for the Debtor with the Bank's proposed forbearance agreement.
- d. Thereafter, from early-November 2024 to early January 2025, counsel for the parties had various exchanges in respect of finalizing and executing the proposed forbearance agreement.
- e. On January 8, 2025, despite having previously confirmed that the Debtor had agreed to the Bank's proposed forbearance terms, counsel for the Debtor confirmed that the Debtor would not be entering into a forbearance agreement.

Attached hereto as **Exhibit "P"** are email exchanges between counsel between September 12, 2024 and January 8, 2025, confirming the foregoing, subject to redactions for portions marked without prejudice.

23. Given the foregoing, the Bank is of the view that that there is no prospect of entering into a forbearance agreement with the Debtor on reasonable terms acceptable to the Bank.

24. The Debtor has failed to provide any plan for refinancing or otherwise exiting the relationship with the Bank, despite being advised throughout, from September 2024 to date, that the Bank wished to exit the banking relationship and would not continue advancing credit to the Debtor. As such, the Bank has lost confidence in the Debtor and has no confidence that the Debtor is willing or able to secure alternate financing or establish any plan that will result in the Bank being repaid, and that the Bank's position will not further deteriorate in the interim.

The Debtor is Insolvent and the Bank's Position is Deteriorating

25. The Debtor has consistently been unable to meet its obligations to the Bank leaving the Bank with no alternative but to seek the appointment of a receiver to protect the Bank's Security.

26. As of May 6, 2025, the Debtor's aggregate indebtedness to the Bank pursuant to the Credit Facilities totals \$908,412.79 (exclusive of further accrued interest, fees, disbursements and costs) as follows:

Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,019.67	19.99%
Converted Credit Card Term Loan	07512 69477347 009	\$149,985.47	19.99%
Auto Loan	04128 58781387 001	\$12,356.20	
HASCAP Loan	07512 69477347 002	\$27,872.29	4.00%
Royal Credit Line	07512 69477347 001	\$706,187.31	7.00%
Fees, disbursements and costs		\$10,991.85	
		Total: \$908,412.79	

27. As of May 6, 2025, the above noted indebtedness is inclusive of: a motor vehicle loan, which was 54 days in arrears; the Royal Credit Line, which was overdrawn in the amount of \$6,187.31 and was 26 days in arrears; and the HASCAP loan, which was 31 days in arrears.

28. Further, the Bank has learned that the Debtor has failed to keep priority payables current, including its HST and source deductions remittances, with a history of late payments and arrears owing.

29. Finally, it appears that the Debtor has ceased carrying out its day-to-day banking with the Bank, given that there have been essentially no deposits to the Debtor's accounts with the Bank since on or about March 28, 2025. This would constitute a breach of the terms of the Credit Facilities and the Security requiring that the Debtor bank with the Bank, and would put the Debtor's deposits, which are subject to the Bank's security, beyond the reach of the Bank.

30. Pursuant to the Credit Facilities and the Security, including the GSA, the Debtor is required to provide the Bank with the following financial information/disclosure, amongst other:

- a. To provide such financial and operating statements and reports as and when required by the Bank, and to promptly provide to the Bank such information, reports, certificates and other documents regarding the Debtor as the Bank may request from time to time;
- b. To report on the status of priority payables, including HST and source deduction remittances; and,
- c. To provide all financial information relating to the Debtor as the Bank may reasonably require.

31. Despite repeated requests, the Debtor has failed to provide all of the information and documentation requested by the Bank. While the Debtor has provided some information and documentation requested by the Bank through their lawyer, this documentation is incomplete and had been provided in an untimely and piecemeal fashion following repeated requests by the Bank and its counsel throughout late 2024 and early 2025.

32. Given these ongoing reporting breaches, on February 27, 2025, the Bank issued a non-tolerance breach letter to the Debtor requiring that it provide to the Bank by no later than March 13, 2025 (a true copy of which is attached hereto as Exhibit "Q"):

- a. Annual aged list of accounts receivable and aged list of accounts payable for the Debtor, within 90 days of each fiscal year end;

- b. Annual notice to reader financial statements for the Debtor and the Corporate Guarantor, within 90 days of each fiscal year end;
- c. Annual personal statement of affairs for Mr. Zammit within 90 days of the end of every second fiscal year of the Debtor, commencing with the fiscal year ending in 2021; and
- d. copies of current CRA assessments/statements showing status of HST and Source Remittances for the Borrower, up to January 31, 2025.

33. On March 25, 2025, counsel for the Bank confirmed that the Bank's previous requests for the financial reporting set out in the Bank's breach letter of February 27, 2025 were ignored and required that the Debtor provide reporting on the status of its priority payables, including the status of the company's HST and source deduction remittances, along with CRA statements regarding same by no later than the end of business on March 28, 2025.

34. On April 1, 2025, Debtor's counsel provided some of reporting requested by the Bank. By correspondence to the Debtor dated April 8, 2025, the Bank responded to the reporting provided by the Debtor as follows:

Your below email and the reporting provided by your client confirm the following:

- Accounts payable of \$1,311,562.02, with \$1,041,073.56 of this amount over 90 days past due;
- Accounts receivable of only \$515,615.91, with \$158,056.94 over 90 days;
- Profit of only \$100,526.67 for the period of Nov. 2024 to Mar. 2025;
- HST arrears of \$132,453.49;
- Payroll arrears of \$4,538.80;
- Balance sheet as of July 31/24 show liabilities exceeding assets by \$2,483,887.91;
- A net loss of \$849,588.97 for the 2024 fiscal year;
- No realistic or acceptable plan to repay the Bank.

Further, the Bank has confirmed the following further breaches as of this morning:

- Neither the company nor the corporate guarantor have provided their accountant prepared financial statements by January 31, 2025, as required pursuant to their reporting obligations;
- The line of credit was overdrawn by \$2,416;

- The current account was overdrawn by \$8,000; and
- The company's auto loan is 26 days delinquent.

It is evident that the company is insolvent and the Bank's position is deteriorating. In the circumstances, and given that your client refused to sign the forbearance agreement proposed by the Bank, the Bank was left with no alternative but to (i) close the line of credit and convert the balance to a non-accrual loan, and (ii) bring a receivership motion for the appointment of a court-appointed receiver to realize on the Bank's security. Please note in this regard that the line has now been closed and our receivership motion material will follow under separate cover in due course.

Attached hereto as **Exhibit "R"** are email exchanges between counsel dated March 25, April 1 and April 8, 2025 as detailed in the forgoing.

35. The foregoing confirms that the Debtor is insolvent. Further, the Debtor's repeated refusal to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk, in addition to the evident deterioration in its financial affairs has left the Bank with no alternative but to enforce its security through the appointment of a receiver.

The Necessity for the Appointment of a Receiver

36. To date, the Debtor has repeatedly failed to repay the indebtedness owing to the Bank despite attempts by the Bank to provide the Debtor with an opportunity to address the Bank's concerns.

37. The conduct of the Debtor as detailed above, including refusing to provide sufficient and timely financial information and reporting to the Bank so as to permit it to assess its risk, has left the Bank with no alternative but to enforce its security through the appointment of a Receiver.

38. The Bank's original demand for payment and NITES expired on September 16, 2024, such that the Bank is entitled to enforce the Security.

39. The Bank is contractually and statutorily entitled to the appointment of a Receiver pursuant to the Bank's GSA (Exhibit C, para. 13(a)), the BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Debtor's numerous defaults as outlined herein.

40. The Debtor has failed to put forth any type of repayment or restructuring plan. This again leaves the Bank with no alternative but to enforce its security through the appointment of a receiver.

41. As a result of the foregoing and given the amount of the Debtor's indebtedness to the Bank, totalling \$908,412.74 as of May 6, 2025 (exclusive of further accrued interest and costs, fees and disbursements incurred by the Bank), the Bank is concerned by these events given that they jeopardize the Bank's Security and any potential realization therefrom.

42. The Security held by the Bank is in jeopardy and it is necessary for a receiver to take control of the assets, undertakings and property of the Debtor to ensure the Debtor's assets are dealt with in an orderly and proper manner. In this regard, Spergel, a duly qualified receiver, has consented to act as Court-appointed receiver of the Debtor. A true copy of Spergel's consent to act as Court-appointed receiver of the Debtor is attached hereto as Exhibit "S".

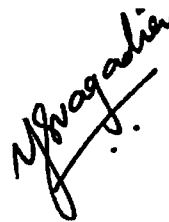
43. In light of the foregoing, I verily believe that the appointment of a receiver is just and equitable in the circumstances and necessary for the protection of the Debtor's property and for the protection of the interests of the Bank.

SWORN by Yatri Vagadia of the City of Toronto, in the Province of Ontario, before me at the City of Ottawa, in the Province of Ontario, on June18....., 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

Matthew Cameron
LSO# 86533T



YATRI VAGADIA

This is Exhibit "A" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Ministry of Public and
Business Service Delivery

Profile Report

ZSD ELECTRIC INC. as of August 30, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ZSD ELECTRIC INC.
Ontario Corporation Number (OCN)	2262523
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 03, 2010
Registered or Head Office Address	6810 Kitimat Road, Unit 21, Mississauga, Ontario, L5N 5M2, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)
Minimum Number of Directors
Maximum Number of Directors

1
5

Name
Address for Service
Resident Canadian
Date Began

DENNIS ZAMMIT
1231 Martins Blvd, Brampton, Ontario, L6Y 0A1, Canada
Yes
November 03, 2010

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Active Officer(s)

Name	DENNIS ZAMMIT
Position	President
Address for Service	1231 Martins Blvd, Brampton, Ontario, L6Y 0A1, Canada
Date Began	November 03, 2010

Name	DENNIS ZAMMIT
Position	Secretary
Address for Service	1231 Martins Blvd, Brampton, Ontario, L6Y 0A1, Canada
Date Began	June 01, 2022

Name	DENNIS ZAMMIT
Position	Treasurer
Address for Service	1231 Martins Blvd, Brampton, Ontario, L6Y 0A1, Canada
Date Began	June 01, 2022

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Corporate Name History

Name

ZSD ELECTRIC INC.

Effective Date

November 03, 2010

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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Document List

Filing Name	Effective Date
Annual Return - 2024 PAF: AMY POWER	March 06, 2024
Annual Return - 2023 PAF: AMY POWR	March 06, 2024
Annual Return - 2022 PAF: ERIC BATISTA	March 02, 2023
CIA - Notice of Change PAF: Adam SAVAGLIO	June 21, 2022
Annual Return - 2021 PAF: Eric BATISTA	January 24, 2022
Annual Return - 2020 PAF: DENNIS ZAMMIT - OFFICER	February 07, 2021
Annual Return - 2019 PAF: DENNIS ZAMMIT - OFFICER	March 01, 2020
Annual Return - 2018 PAF: DENNIS ZAMMIT - OFFICER	February 03, 2019
Annual Return - 2017 PAF: DENNIS ZAMMIT - OFFICER	February 18, 2018
CIA - Notice of Change PAF: ADAM J. SAVAGLIO - OTHER	January 09, 2018
Annual Return - 2016 PAF: DENNIS ZAMMIT - OFFICER	February 05, 2017
CIA - Notice of Change PAF: ADAM SAVAGLIO - OTHER	June 15, 2016
Annual Return - 2015 PAF: DENNIS ZAMMIT - OFFICER	March 05, 2016

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CIA - Notice of Change PAF: JEFFREY C. TEAL - OTHER	July 10, 2015
CIA - Notice of Change PAF: JEFFREY C. TEAL - OTHER	July 07, 2015
CIA - Notice of Change PAF: JEFFREY C. TEAL - OTHER	July 03, 2015
Annual Return - 2012 PAF: DENNIS ZAMMIT - OFFICER	June 07, 2014
Annual Return - 2013 PAF: DENNIS ZAMMIT - OFFICER	February 01, 2014
CIA - Initial Return PAF: JEFFREY C. TEAL - OTHER	March 21, 2013
Annual Return - 2012 PAF: DENNIS ZAMMIT - OFFICER	February 23, 2013
Annual Return - 2011 PAF: DENNIS ZAMMIT - OFFICER	December 24, 2011
BCA - Articles of Incorporation	November 03, 2010

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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This is Exhibit "B" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

ROYAL BANK OF CANADA CREDIT AGREEMENT

DATE: March 31, 2020

BORROWER:

ZSD ELECTRIC INC.

SRF:

531116580

ADDRESS (Street, City/Town, Province, Postal Code)

6810 KITIMAT RD

UNIT 21

MISSISSAUGA, ON L5N 5M2

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned (the "Borrower") the following credit facilities (the "Credit Facilities"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "Agreement"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 Revolving demand facility in the amount of \$700,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 2.05% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes ☐ No ☒

Facility #2 Revolving lease line of credit in the amount of \$44,965.40. Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) All Business Vehicle Solutions Loans and/or Contracts outstanding at any time and from time to time;
- b) Credit Card to a maximum amount of \$150,000.00.

SECURITY

Security for the Borrowing and all other obligations of the Borrower to the Bank, including without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$750,000.00 signed by Dennis Zammit;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$750,000.00 signed by Stephen Zammit;
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$455,000.00 signed by 2262525 Ontario Inc., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of 2262525 Ontario Inc.;

* Registered trademark of Royal Bank of Canada.

- e) Postponement and assignment of claim on the Bank's form 918 signed by 2262525 Ontario Inc.;
- f) Postponement and assignment of claim on the Bank's form 918 signed by Dennis Zammit;
- g) Postponement and assignment of claim on the Bank's form 918 signed by Stephen Zammit;
- h) Priority agreement between the Bank, the Borrower and 2262525 Ontario Inc.

FEES

Annual renewal fee of \$350.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Facility #1 management fee of \$250.00 payable in arrears on the same day each month.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual aged list of accounts receivable and aged list of accounts payable for the Borrower, within 90 days of each fiscal year end;
- b) annual notice to reader financial statements for the Borrower and 2262525 Ontario Inc., within 90 days of each fiscal year end;
- c) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2021;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

OTHER INFORMATION/REQUIREMENTS

- a) No lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

* Registered trademark of Royal Bank of Canada.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

- ☒ Form 472 (02/2020) Royal Bank of Canada Credit Agreement - Standard Terms
- ☐ Form 473 (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms
- ☐ Form 473A (10/2017) Royal Bank of Canada Credit Agreement - RBC Covarity Terms and Conditions
- ☐ Form 473B (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

ACCEPTANCE

This Agreement is open for acceptance until April 30, 2020, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: INJI MEKHEMER

/pf

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 31 day of March, 2020.

ZSD ELECTRIC INC.

Per: _____
Name: Dennis Zammit
Title: President

Per: _____
Name: Stephen Zammit
Title: Treasure.

I/We have the authority to bind the Borrower

* Registered trademark of Royal Bank of Canada

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments hereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- a) If such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand

and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.

- j) In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;

plus:
 - b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;
- plus:
- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;

- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("Confidential Information"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"Current Ratio" means the ratio of Current Assets to Current Liabilities;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Equity" means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Financial Assistance" means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances.

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

"Margin" or "Margined" means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

"Overdraft" means advances of credit by way of debit balances in the Borrower's current account;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBUSBR" and "Royal Bank US Base Rate" each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

"Unfunded Capital Expenditures" means Capital Expenditures not funded by either bank debt or equity proceeds.

"US" means United States of America.



Royal Bank

FORM 484 OWL (Rev 12/2022)

ROYAL BANK OF CANADA AMENDING AGREEMENT

DATE: May 15, 2023

BORROWER: ZSD ELECTRIC INC.	SRF: 531116580
ADDRESS (Street, City/Town, Province, Postal Code) UNIT 21, 6810 KITIMAT RD MISSISSAUGA, ONTARIO L5N5M2	

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned borrower (the "Borrower") the following amendments to the credit agreement dated March 31, 2020, and any previous amendments thereto, between the Borrower and the Bank (the "Agreement"):

1. Under the Security section of the Agreement, paragraph i) is added as follows:

- i) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,200,000.00 signed by Dennis Zammit;

2. The following paragraph is added to the Security section:

Upon receipt of the security described in paragraph i) above, in form and substance satisfactory to the Bank, together with such legal opinions and any other supporting documentation, as the Bank may reasonably require, to the full satisfaction of the Bank, such security will replace the security described in paragraph b) of the Security section of the Agreement.

OTHER TERMS AND CONDITIONS

- a) All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement; and
- b) All other terms and conditions of the Agreement including those contained in the standard terms provided therewith, remain in full force and effect.

STANDARD TERMS

In addition to the standard terms previously provided to the Borrower as indicated in the Agreement, the following standard terms, if indicated in the boxes below, are being provided to the Borrower:

- ☒ Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- ☐ Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- ☐ Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- ☐ Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

ACCEPTANCE

The Borrower and the Bank waive any requirement for the amendments set out above to be signed by the Borrower. The Borrower is deemed to agree to the amendments set out above and to the new or amended standard terms, if provided, so taking effect by accessing credit, borrowing or continuing to borrow under the Credit Facilities. The above amendments and the new or amended standard terms, if applicable, take effect as of the date of this amending agreement.

ROYAL BANK OF CANADA

Per: 
Title: Vice President

RBC Contact: Kamran Siddiqi

/bd

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a duly executed copy of this Agreement;
- the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.
- In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank

may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;

plus:
- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.
- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in

connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action request or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgments, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate, including, without limitation, the application of accrual accounting. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;
- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("Confidential Information"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by RBC Life Insurance Company, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"Current Ratio" means the ratio of Current Assets to Current Liabilities;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Equity" means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Financial Assistance" means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank;

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

"Margin" or "Margined" means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

"Overdraft" means advances of credit by way of debit balances in the Borrower's current account;

"Permitted Encumbrances" means, in respect of the Borrower:

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 52000 and 53000, issued by RBC Life Insurance Company to the Bank

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBUSBR" and **"Royal Bank US Base Rate"** each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

"Unfunded Capital Expenditures" means Capital Expenditures not funded by either bank debt or equity proceeds.

"US" means United States of America.



Royal Bank of Canada
Commercial Financial Services
Suite 200 – 3300 Highway 7
Concord, ON L4K 4M3

June 28, 2021

Private and Confidential

ZSD ELECTRIC INC.
Unit 21 – 6810 Kilmat Rd.
Mississauga, ON
L5N 5M2

ROYAL BANK OF CANADA (the "Bank") hereby offers the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. This Agreement is in addition to our agreement dated March 31, 2020, as amended, superseded, restated or replaced from time to time. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: ZSD Electric Inc. (the "Borrower")

CREDIT FACILITIES

Facility #1: \$250,000.00 non-revolving term facility by way of:

a) Fixed Rate Term Loans ("FRT Loans") Interest rate (per annum): 4.00%

AVAILABILITY

This term facility is made possible under Business Development Bank of Canada's ("BDC") Highly Affected Sectors Credit Availability Program ("HASCAP") and is subject to the terms and conditions set forth herein and in Schedule "N" attached hereto. Hereafter, this facility may be referred to as the "BDC HASCAP Facility".

The Borrower may borrow up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

Notwithstanding the foregoing and without limiting the Bank's right to cancel or restrict availability under this facility at any time, if the Borrower does not borrow under this facility on or before September 30, 2021, the Bank may, at its sole discretion, cancel this facility and the Bank will be under no obligation to advance any funds hereunder.

* Registered Trademark of Royal Bank of Canada

SRF # 631116580

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REPAYMENT

The Borrower shall pay interest payments commencing one month from drawdown and thereafter on the same day of the month for the next eleven months. The Borrower shall thereafter repay Borrowings under this facility as follows:

Payment Amount:	\$6,844.45	Payment Frequency:	Monthly
Payment Type:	Principal Plus Interest	Payment date:	13 months from drawdown
Repayable in full on	The last day of a 4 year term from drawdown	Original Amortization (months)	48

The Bank may, at its discretion, adjust payments periodically, if necessary, to ensure payment in full of all Borrowings under this facility within the stated amortization period.

SECURITY

Without limiting any other security held by the Bank with respect to any credit facility provided by the Bank to the Borrower from time to time, Security for the Borrowings (collectively, the "Security"), shall include:

- a) BDC's Eligible Borrower's Representations and Warranties on the Bank's and BDC's standard form held in support of the BDC HASCAP Facility (the "Borrower's Representations and Warranties");
- b) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$455,000.00 signed by 2262525 Ontario Inc., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of 2262525 Ontario Inc.;
- d) Postponement and assignment of claim on the Bank's form 918 signed by 2262525 Ontario Inc.;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Dennis Anthony Zammit;
- f) Postponement and assignment of claim on the Bank's form 918 signed by Stephen Edward Zammit;
- g) Priority agreement between the Bank, the Borrower and 2262525 Ontario Inc.

If any guarantee and postponement of claim or suretyship and subordination of claims described above is a joint and several guarantee among one or more individual Persons and other non-individual Person(s), then, as set out in the Joint and Several paragraph in the Terms and Conditions below, the liability of each such non-individual Person for any BDC HASCAP Facility is joint and several (in Quebec, solidarily) with each other such non-individual Person party to such guarantee (if any). For purposes of greater certainty, an individual Person shall not be liable as Guarantor for obligations owing under any BDC HASCAP Facility.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) such financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) all terms and conditions of the HASCAP have been fulfilled to the satisfaction of the Bank; and
- e) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- f) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the

ZSD Electric Inc.

June 28, 2021

cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until July 28, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: INJI MEKHEMER

/das

We acknowledge and accept the terms and conditions of this Agreement on this 28th day of June, 2021

ZSD ELECTRIC INC.

Per: _____
Name: Dennis Zammit
Title: President

Per: _____
Name: Stephen Zammit
Title: Secretary/Treasurer

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- BDC HASCAP Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

The Borrower may prepay Borrowings under the BDC HASCAP Facility by way of FRT Loans prior to the Maturity Date, in whole or in part, subject to the following conditions: (i) the Bank provides its prior written consent to such prepayment, (ii) the Borrower agrees to pay the Prepayment Fee as defined below, (iii) in the case of a partial prepayment, an amendment is made to the terms of this Agreement to reflect such prepayment, and (iv) such other conditions as the Bank may reasonably impose.

The Prepayment Fee will be calculated by the Bank as the greater of:

- (i) the amount equal to 3 months' interest payable on the amount of the FRT Loan Borrowings being prepaid, calculated at the interest rate applicable to the FRT Loan Borrowings on the date of prepayment; and
- (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the FRT Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the FRT Loan and an amortization period substantially similar to the remaining amortization period of the FRT Loan, each as determined by the Bank on the date of such prepayment;

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;

- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the

Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person. Notwithstanding the foregoing, where more than one Person is liable as Guarantor for any BDC HASCAP Facility hereunder, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person other than individual Persons. For purposes of greater certainty, an individual Person shall not be liable as Guarantor for obligations owing under any BDC HASCAP Facility.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constituting documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgement Currency") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto (including, without limitation the Borrower's Representations and Warranties);
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;

- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) If any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto (including, without limitation the Borrower's Representations and Warranties) or under any Security shall be false in any material respect; or
- g) If the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("Confidential Information"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada; and

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "D"

ADDITIONAL BORROWING CONDITIONS

FRT Loans:

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) each FRT Loan shall be in an amount not less than \$10,000.00; and
- c) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "N"

BDC BUSINESS CREDIT AVAILABILITY PROGRAM

INTRODUCTION

The BDC HASCAP Facility is being provided to the Borrower under Business Development Bank of Canada's ("BDC") Highly Affected Sectors Credit Availability Program ("HASCAP"). HASCAP is intended to provide additional liquidity support to Canadian businesses that have been highly affected by and are facing economic hardship as a result of the COVID-19 pandemic by having BDC provide a guarantee (the "BDC Guarantee") in favour of the Bank against loan losses, provided the requirements of HASCAP have been met.

The Borrower acknowledges that the BDC Guarantee is subject to the Borrower meeting BDC's HASCAP mandate requirements regarding support for Canadian businesses, as that mandate is expressed from time to time.

BDC GUARANTEE FEE

The Borrower acknowledges that 1.00% of the 4.00% per annum interest rate payable under the BDC HASCAP Facility is a non-refundable guarantee fee charged by BDC for coverage under BDC HASCAP. The Borrower hereby authorizes and directs the Bank to collect such guarantee fee and remit it to BDC on the Borrower's behalf.

BDC CONDITIONS PRECEDENT

In addition to the conditions set forth in the Conditions Precedent section of this Agreement, the availability of any Borrowing under the BDC HASCAP Facility is conditional upon receipt of the following:

- a) the confirmation number issued by BDC on the Borrower's completion and submission of BDC's online electronic information form;
- b) the Borrower's signed Borrower's Representations and Warranties; and
- c) a signed Waiver from each Guarantor, present and future, if applicable.

The Borrower is required to access and to complete the above-mentioned forms electronically using a link on the BDC website.

In addition to the above conditions, no advance is available to the Borrower hereunder if a default or an event of default has occurred and is continuing under any of the Borrower's other credit facilities with the Bank, except as such default or event or default may be waived by the Bank in writing or otherwise remedied to the satisfaction of the Bank, acting reasonably.

The BDC conditions precedent above and the conditions set forth in the Conditions Precedent section of this Agreement (collectively, the "BDC HASCAP Facility Conditions Precedent") shall be satisfied on or before August 31, 2021 or such other date as the Bank may notify the Borrower in writing. If the BDC HASCAP Facility Conditions Precedent are not satisfied or waived by the Bank (in the Bank's sole discretion) on or before such date, the BDC HASCAP Facility shall automatically be cancelled and shall no longer be available to the Borrower.

USE OF BORROWINGS

Borrowings under the BDC HASCAP Facility shall only be used in accordance with the terms and conditions of the Borrower's Representations and Warranties.

CONSENT AND ACKNOWLEDGEMENT

The Borrower agrees to the following:

- a) it irrevocably authorizes the Bank and BDC to:
 - i. freely and fully communicate with each other and freely and fully share information, records, files and documentation related to the Borrower, the BDC HASCAP Facility and the BDC Guarantee including, without limitation, with respect to the Borrower's business, property, assets, customers, contracts, purchase orders, creditors, financial state, projections and prospects and the Bank's internal credit review of the Borrower (including, without limitation, risk ratings, key financial ratios, ratings, analysis of the Borrower's financial statements, assessment of technical capability, and relevant history of the Borrower), and
 - ii. retain copies of information or documents relating to any of the foregoing.
- b) it hereby remises, releases and forever discharges the Bank and BDC from all actions, causes of actions, suits, duties, accounts, bonds, covenants, claims and demands whatsoever, which any of the undersigned, may now or hereafter have against either or both of the Bank and BDC for or by reason of or in any way arising out of the release or sharing of information provided for in this consent and acknowledgement.
- c) it acknowledges that BDC has made no commitment to provide the BDC Guarantee and such decision remains in BDC's sole discretion and that the BDC Guarantee must be in form and on terms and conditions satisfactory to the Bank.



RBC Royal Bank®

E-FORM 16187 (01/2014)

RBC ROYAL BANK® BUSINESS CREDIT CARD AGREEMENT

This Agreement sets out the terms under which each Cardholder may use their Card, Account and Credit Card Cheques (as such terms are defined below). It replaces all prior RBC Royal Bank® Visa® CreditLine for Small Business™, RBC Royal Bank Business Credit Card (joint and several liability) or RBC® Business Cash Back MasterCard® agreements.

You should read this Agreement carefully as it explains your rights and duties. It also is your promise to pay all Debt owing on an Account.

1. What the Words Mean:

Here are the definitions of some of the words used in this Agreement. The words are in their singular form, but the definitions also apply to the plural forms of the words.

"we", "our" or "us" means Royal Bank of Canada and companies under RBC®;

"you" or "your" means the Applicant and each Owner;

"Account" means an RBC Royal Bank Visa Business Platinum Avion® ("Visa Platinum Avion"), RBC Business Cash Back MasterCard ("Cash Back MasterCard"), RBC Royal Bank Visa CreditLine for Small Business ("CLSB"), RBC Royal Bank Visa Business ("Visa Business") or RBC Royal Bank Visa Business Gold ("Visa Business Gold") account that we have opened for the Applicant. We may add other types of accounts to this list at any time. All Cards we issue to Cardholders under an Account form part of the Account;

"Account Credit Limit" means the maximum amount of Debt that can remain outstanding and unpaid in an Account;

"Account Documentation" means any document relating to an Account we may send to you and/or Cardholders from time to time including, but not limited to, changes to the Agreement or pricing changes, an insert enclosed with a paper Account Statement or information provided on an Account Statement, legal and regulatory information that we may be required by law to send you or, with your consent, any marketing offer;

"Account Statement" means the monthly written statement(s) of the Account in either paper or electronic format;

"Agreement" means this agreement and the Liability Waiver Program Insurance certificate sent with the Card(s), if applicable. A copy of the certificate is also available at www.rbcroyalbank.com/credit-cards/documentation;

"Applicant" means the business identified in an application for an Account;

"ATM" means an automated teller machine;

"Card" means any credit card issued to a Cardholder on an Account;

"Card Credit Limit" means, for Visa Platinum Avion, Visa Business and Visa Business Gold Accounts only, the maximum amount that can remain outstanding and unpaid on a Card;

"Cardholder" means an individual to whom a Card is issued;

"Cash Advance" means an advance of cash that is charged to an Account through any eligible means including, but not limited to, a cash withdrawal from an Account, use of a Credit Card Cheque, a balance transfer, a Cash-Like Transaction or a bill payment (that is not a pre-authorized charge that you set up with a merchant);

"Cash Advance Interest Rate" means the annual interest rate applicable to Cash Advances made on an Account. The Cash Advance Interest Rate is shown on each Account Statement;

"Cash-Like Transaction" means a transaction that is similar to cash and we treat as a Cash Advance including, but not limited to, a money order, a wire transfer, a traveller's cheque and a gaming transaction (including, but not limited to, betting, off-track betting, race track wagers, casino gaming chips and lottery tickets);

"Credit Card Cheque" means a cheque drawn on an Account. It can only be in the form of a cheque that we provide to you for the Account;

"Debt" means, on any day, the total amount owing to us under this Agreement. The Debt is made up of all amounts charged to an Account including, but not limited to, Purchases, Cash Advances, Credit Card Cheques, Interest and Fees;

"Electronic Means" means any communication method permitted by us from time to time including, but not limited to, computer, tablet, telephone, cell phone, smart phone, Internet, email, personal digital assistant, facsimile or other method of telecommunication or electronic transmission;

"Fee" means a fee that applies to an Account. Fees are set out in this Agreement and may also be in any other Account Documentation we may send to you and/or Cardholders from time to time;

"Grace Period" means the number of days between the last Statement Date and the Payment Due Date for an Account. For CLSB, there is no Grace Period;

"Interest Rate" means either the Cash Advance Interest Rate or Purchase Interest Rate and Interest Rates means both the Cash Advance Interest Rate and the Purchase Interest Rate;

"Introductory Interest Rate" means a special low Interest Rate that may be offered to Cardholders. Only new Accounts are eligible for an Introductory Interest Rate;

"Liability Waiver Program" means the RBC Royal Bank Business Credit Card Liability Waiver Insurance program for Visa Platinum Avion, Visa Business and Visa Business Gold Accounts only, in force from time to time;

"Minimum Payment" means the amount indicated as such on an Account Statement;

"New Balance" means the amount indicated as such on an Account Statement. The New Balance is made up of all Debt incurred up to the Statement Date;

"Owner" means each individual who signs this Agreement as such, and includes any individual who owns a business as a sole proprietor, or has invested in a business as a partner, shareholder, member, limited partner or beneficial owner, and

who is authorized to act and make financial decisions on behalf of the Applicant including, but not limited to, opening an Account, asking for additional Cards on an Account or asking for an Account Credit Limit Increase;

"Payment Due Date" means the date indicated as such on an Account Statement;

"PIN" means the personal identification number used by a Cardholder to access the Account;

"Prime Interest Rate" means the annual rate of interest we announce from time to time and post at our branches and on our website at www.rbcroyalbank.com/rates as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada;

"Promotional Interest Rate" means a special low Interest Rate that may be offered to Cardholders periodically after an Account has been opened;

"Purchase" means a purchase of goods or services (or both) that is charged to an Account. A Purchase may be made with or without the use of a Card;

"Purchase Interest Rate" means the annual interest rate that applies to Purchases made on an Account. The Purchase Interest Rate is shown on each Account Statement;

"Service Administrator" means any individual an Owner or Signing Authority has designated as such;

"Signing Authority" means any individual (who may or may not be an Owner), designated in the way we require the designation to be made, as being authorized to act and make financial decisions on behalf of the Applicant and the Owners including, but not limited to, opening an Account, asking for additional Cards on an Account or asking for an Account Credit Limit Increase; and

"Statement Date" means the last date of the Account Statement period for which an Account Statement is produced.

2. General Terms of Agreement:

This Agreement applies to each Card, Account and Credit Card Cheque. It also applies if we send you or the Cardholder a renewal or replacement Card. You agree to all of the terms and conditions set out in this Agreement and the terms and conditions in any amended or replacement agreement relating to the Account. You must give a copy of this Agreement, including any amendments to this Agreement, to each Owner.

If a Cardholder signs, activates, or uses their Card or their Card number, it will mean that each Owner has received and read this Agreement and agrees to and accepts all of its terms.

By accepting this Agreement and using the Card, you have requested the benefits and services provided automatically with the Card. Different types of Cards come with different features. Some of these features are highlighted later in this Agreement. The "Welcome Kit" that Cardholders receive with their Cards outlines the benefits and services which Cardholders can enjoy. We may change any of these features at any time. Third parties will provide some of the benefits and services outlined in your "Welcome Kit". These third parties, and not us, are responsible to you and the Cardholders for the services and benefits offered or provided by them. Optional features are available at an additional cost

to you. If you request any of these optional features, we may send you a separate agreement outlining any additional terms and conditions for the optional features.

You confirm that all information provided to us regarding the Applicant's ownership, control and structure is true, complete and accurate in all respects.

You must promptly give us up-to-date credit and financially-related information about you when we ask for it.

The Section and Sub-Section headings in this Agreement are for ease of reference only. They do not form part of this Agreement.

3. Account Opening/Card Issuance:

a. Visa Platinum Avion, Visa Business and Visa Business Gold Accounts

At your request and subject to our approval, we will open an Account and issue a Card to the Cardholder(s) that you designate.

For any Cardholder who is not responsible to pay the Debt, we will only keep a record of the name of the Cardholder. In this situation, you must obtain and record the name, address, telephone number, and date of birth of each Cardholder. You must keep this information for at least seven (7) years after a Card has been cancelled. If we ask, you will give us this information.

b. CLSB and Cash Back MasterCard Accounts

At your request and subject to our approval, we will open an Account and issue a Card to the Cardholder(s) that you designate. The maximum number of Cardholders for each Account is two (2), and each Cardholder must be an Owner.

4. Card Renewal and Replacement:

A renewal or replacement Card will be issued before the expiration date on the Card. Renewal and replacement Cards will continue to be issued to Cardholders in this way until you tell us to stop.

5. Account and Card Use:

A Card can only be used by the Cardholder in whose name it has been issued. Cardholders can use their Card and/or Card number for any permitted purpose including, but not limited to:

- making Purchases, whether they buy in person, over the phone, using the Internet or by mail order;
- making cash withdrawals at one of our branches, at another financial institution or at an ATM;
- writing cheques using the Credit Card Cheques; and
- taking advantage of a balance transfer offer by transferring all or part of a balance they owe elsewhere to the Account, through our online banking service or by calling 1-800 ROYAL[®] 1-2 (1-800-769-2512).

A Cardholder must not use their Card for any illegal, improper or unlawful purpose. We may refuse to authorize certain types of transactions as we decide including, but not limited to, Internet gambling.

6. Debt Incurred Without a Card:

If a Cardholder incurs Debt using their Card number only, without having presented their Card to a merchant (such as for an Internet, mail order or telephone Purchase), the legal effect will be the same as if the Cardholder had used their Card and signed a sales draft or receipt or entered their PIN.

7. If the Card Expires

The Card expires at the end of the month shown on the Card. Cardholders must not use their Card or Card number if their Card has expired or after this Agreement is terminated. If anything is charged to an Account after the Card has expired or this Agreement is terminated, you are still responsible for and must pay the Debt.

8. Lost or Stolen Card:

If a Card is lost or stolen or if any one of you or the Cardholder suspects it is lost or stolen or being used by someone else, you or the Cardholder must tell us immediately.

After we have been told that a Card has been or may have been lost, stolen or misused, we will be able to prevent the use of the Card and Card number. If we suspect unauthorized or fraudulent use of a Card or a Card number, the use of any Card can be blocked or prevented without notice to you.

You will not be liable to us for any Debt resulting from the loss, theft or misuse of a Card that is incurred after the time any one of you or the Cardholder tells us about the loss, theft or misuse of a Card.

Notwithstanding the above, if a Card is lost, stolen or misused, you will be liable to us for:

- i. all amounts owing on the Card, up to a maximum of \$1,000.00, resulting from the loss, theft or misuse of the Card that is incurred before the time any one of you or the Cardholder tells us about that loss, theft or misuse through any one or more transactions on the Card, for which the Card or Card number has been used to complete those transactions; and
- ii. all amounts owing on the Card, resulting from the loss, theft or misuse of the Card that is incurred before the time any one of you or the Cardholder tells us about that loss, theft or misuse through any one or more transactions on the Card, for which the Card and PIN have been used together to complete those transactions.

9. Credit Limits:**a. Visa Platinum Avion, Visa Business and Visa Business Gold Accounts**

If you have more than one Card, we will set an Account Credit Limit representing the total credit limit for all Cards. We may change the Account Credit Limit from time to time, without notice.

The Debt must not exceed the Account Credit Limit. However, we may (but are not required to, even if we have done so before) permit the Debt to exceed the Account Credit Limit.

A Card Credit Limit will be set for each Card. We may change any Card Credit Limit from time to time, without notice.

We will tell you the Card Credit Limit on the documents accompanying each Card when it is issued, and on each Account Statement.

Each Cardholder must observe their Card Credit Limit. The amounts owing on a Card must not exceed the Card Credit Limit. However, we may (but are not required to, even if we have done so before) permit the amounts owing on a Card to

exceed the Card Credit Limit. We may, at any time, refuse to permit the amounts owing on a Card to exceed the Card Credit Limit and require you to pay any balances which exceed the Card Credit Limit.

When the amounts owing on a Card exceed the Card Credit Limit on the Statement Date, an Overlimit Fee will be charged to the Account.

If you consistently make late payments or no payments, we may reduce the Card Credit Limit for a particular Card and/or the Account Credit Limit, without notice.

b. CLSB and Cash Back Accounts

An Account Credit Limit will be set for the Account. We may change the Account Credit Limit from time to time, without notice. We will tell you the Account Credit Limit on the documents accompanying each Card when it is issued, and on each Account Statement.

The Debt must not exceed the Account Credit Limit. However, we may (but are not required to, even if we have done so before) permit the Debt to exceed the Account Credit Limit.

We may, at any time, refuse to permit the Debt to exceed the Account Credit Limit and require you to pay any balances that exceed the Account Credit Limit.

When the Debt exceeds the Account Credit Limit on the Statement Date, an Overlimit Fee will be charged to the Account.

If you consistently make late payments or no payments, we may reduce the Account Credit Limit without notice.

10. Card Cancellation/Revocation or Suspension of Use:

The Applicant may cancel a Card by giving us a notice to cancel the Card. Except as otherwise set out in this Agreement, you will be liable to us for all Debt, resulting from the use of the Card from the time we receive the notice of cancellation until the time the Applicant notifies us that the Card has been destroyed.

If the amounts owing on a Card exceed the Card Credit Limit or the Debt outstanding on an Account exceeds the Account Credit Limit, we may suspend the right to use the Card or the Account, and all services we provided under this Agreement until the excess is paid in full.

We may revoke or suspend a Cardholder's right to use their Card or Card number at any time without notice. A Cardholder must give up their Card to you or to us at your (or our) request.

11. PIN and Other Security Features:

We will provide each Cardholder with a PIN for their Card or tell them how to select it. We will also tell them how to change their PIN. We will treat a PIN as the Cardholder's authorization whenever it is used with a Card. Any transactions done using the Card with the PIN will have the same legal effect as if the Cardholder signed a written direction to us.

Each Cardholder must protect the security of their Card and the Account by keeping their PIN confidential and separate from their Card at all times. Cardholders must select a PIN which cannot be easily guessed. Cardholders must not select a PIN using a combination of their name, date of birth, telephone numbers, address or social insurance numbers. No one but the Cardholder is permitted to know or use the PIN or

any other security codes such as passwords, access codes and Card numbers that may be used or required for Internet or other transactions. Each Cardholder will keep these security codes confidential and separate as well.

If someone uses a Card and PIN or the Card number with any other security code to make unauthorized purchases or otherwise obtain the benefits of the Card or Account, you will not be responsible for those charges provided that (i) you and the Cardholder are able to establish to our reasonable satisfaction that the Cardholder has taken reasonable steps to protect their Card, Account and/or Credit Card Cheque against loss or theft and to safeguard their PIN and other security codes in the manner set out in this Agreement, or as we may otherwise advise Cardholders from time to time, and (ii) you and the Cardholder cooperate fully with our investigation.

You will however remain fully responsible for all Debt incurred in connection with an unauthorized use if a Cardholder voluntarily discloses their PIN or other security code or otherwise contribute to the unauthorized or fraudulent use of a Card or access to the Account, or you or the Cardholder fail(s) to tell us in a reasonable time that a Card or Credit Card Cheque has been lost or stolen or that you believe someone else may know a Cardholder's PIN or other security code.

You are not responsible for unauthorized use of Card(s) or Card number(s) in transactions in which neither a PIN nor a security code is used as the Cardholder verification method.

For the purposes of this protection, "unauthorized use" of a Card or Card number means use by a person, other than the Cardholder, who does not have actual, implied or apparent authority for such use, and from which neither you nor the Cardholder receives any benefit. In addition to what is set out in this Agreement, we may tell Cardholders other steps they must take to safeguard their PIN or security codes.

12. Liability for Debt:

Except as otherwise set out in this Agreement and, for Visa Platinum Avion, Visa Business and Visa Business Gold Accounts only, except as may otherwise be provided under the Liability Waiver Program, the Applicant, together with each Owner, will be jointly and severally (in Quebec, solidarily) liable to us for all Debt charged to the Account, no matter how it is incurred or who has incurred it and even though we may send Account Statements to Cardholders and not to any of you. However, we will provide Account Statement(s) or other information about that Debt to any of you at the request of any Owner or Signing Authority. The Applicant, together with each Owner, will also be jointly and severally (in Quebec, solidarily) liable to us for everything else you have agreed to with us in this Agreement.

An Owner will continue to be liable for the Debt as long as the Owner's name appears on the Agreement. If there is any change to the ownership or structure of the Applicant including, but not limited to, if an Owner ceases to be an owner, it is your responsibility to notify us as a new Agreement may need to be signed.

We may apply any money the Applicant or an Owner has on deposit with us or any of our affiliates against any Debt you owe us. We can apply the money on deposit against any Debt without notice to you or any of you.

13. Making Payments:

It is your responsibility to ensure that payment on the Account is received by us for credit to the Account by the Payment Due Date shown on each Account Statement.

Even when normal postal service is disrupted, payments must continue to be made on each Account.

Payments can be made on the Account at any time. Payments can be made by mail, at one of our branches, at an ATM that processes such payments, through our telephone, mobile or online banking service or at certain other financial institutions that accept such payments, by registering the Account as a "Bill Payment" for this purpose.

Payments sent to us by mail or made through another financial institution's branch, ATM or online banking service may take several days to reach us. A payment is not credited to the Account and does not automatically adjust the available Card Credit Limit or Account Credit Limit until we have processed the payment. It may take several days to adjust the available Card Credit Limit or Account Credit Limit depending on how payment is made. To ensure that a payment is credited to an Account and automatically adjusts the available Card Credit Limit or Account Credit Limit on the same business day, a payment must be made prior to 6:00pm local time on that business day at one of our branches or our ATMs in Canada or through our telephone, mobile or online banking service.

You can also ask us to process your payments on the Payment Due Date each month as a pre-authorized debit ("PAD") from a deposit account. The account must be with a Canadian financial institution and must be in Canadian dollars.

You may choose to pay the Minimum Payment or your New Balance. If you ask us to automatically process payments as a PAD, you will be bound by the terms and conditions set out in Rule H1 of the Rules of the Canadian Payments Association, as amended from time to time, as well as this Agreement. You also waive any pre-notification requirements that exist where variable payment amounts are being authorized. You may notify us at anytime that you wish to revoke your authorization for a PAD. A PAD may, under certain circumstances, be disputed for up to ninety (90) days. To obtain more information on our rights against you under a PAD, you may contact the financial institution that holds the bank account you have designated for the PAD or review the Rules at www.cdnpay.ca.

You are not permitted to make a payment exceeding a Card Credit Limit unless the amounts owing on the Card at the time of payment is more than the Card Credit Limit. You are not permitted to make a payment exceeding the Account Credit Limit unless the Debt at the time of payment is more than the Account Credit Limit. If you do make a payment of more than the Card Credit Limit or the Account Credit Limit, interest will not be paid on the positive balance. Any positive balance is not considered a deposit account for the purpose of insurance given by Canadian Deposit Insurance Corporation.

14. Payment of Debt:

- a. Except as otherwise set out in this Agreement, you may pay the Debt in respect to each Account in full or in part at any time.

- b. Except as otherwise set out in this Agreement, you must make a Minimum Payment, by the Payment Due Date, equal to the lesser of (i) for all Accounts except CLSB, \$10.00, plus interest, plus Fees or, for CLSB, \$100.00, plus interest, plus Fees, and (ii) your New Balance, in order to keep the Account up to date. Each of these amounts will be shown on the Account Statement. Any past-due amounts will be included in your Minimum Payment amount.
- c. You must also pay any amount that exceeds either the Card Credit Limit or Account Credit Limit immediately, even though we may not yet have sent an Account Statement on which that excess appears.
- d. You must keep the Account up-to-date at all times even if we are delayed in or prevented from sending, for any reason, any one or more Account Statements. You must contact one of our branches or our Cards Customer Service at 1-800 ROYAL® 1-2 (1-800-769-2512) at least once a month during such a delay or interruption to obtain any payment information you do not have and need to know in order for you to comply with your obligations under this Section.
- e. If any payment made by you in respect of the Account is not honoured, or if we must return it to you because it cannot be processed, a "Dishonoured Payment Fee" will be charged and Card privileges may be revoked or suspended.
- f. If the New Balance on a previous Account Statement was paid in full by the Payment Due Date, the Grace Period for the current Account Statement will continue to be the minimum number of days applicable to the Card. If the New Balance on the previous Account Statement was not paid in full by the Payment Due Date, the Grace Period for the current Account Statement will be extended to twenty-five (25) days from the last Statement Date. This section 14(f) does not apply to CLSB, which has no Grace Period.

15. Payment Allocation:

When you make a payment, we will apply the amount up to your Minimum Payment, first to any interest and second to any Fees. We will apply the remainder of any Minimum Payment to your New Balance, generally starting with amounts bearing the lowest Interest Rate before amounts bearing a higher Interest Rate.

If you pay more than your Minimum Payment, we will apply the amount over the Minimum Payment to the remainder of your New Balance. If the different amounts that make up your New Balance are subject to different Interest Rates, we will allocate your excess payment in the same proportion as each amount bears to the remainder of your New Balance. If the same Interest Rate is applicable to both a Cash Advance and a Purchase, we will apply your payment against the Cash Advance and the Purchase in a similar proportionate manner.

If you have paid more than your New Balance, we will apply any payment in excess of the New Balance to amounts that have not yet appeared on your Account Statement in the same manner as set out above.

Credits arising from returns or adjustments are generally first applied to transactions of a similar type, second to any interest and Fees, and the remainder to other Debt owing in the same manner as we apply payments in excess of the Minimum Payment.

16. Interest Rates and Charges:

The current Interest Rates are set out on each Account Statement. They are expressed as annual percentage rates. The standard Interest Rates are shown in the chart outlined in the "Standard Annual Fees, Grace Period and Interest Rates" Section of this Agreement. If you are taking advantage of any special offers, the Interest Rates may be different than those on the chart. The Interest Rates may change from time to time.

a. All Accounts except CLSB

You can avoid interest on both Purchases and Fees by always paying the New Balance in full on or before the Payment Due Date every month. Your New Balance is shown on your Account Statement and is made up of all Purchases, Cash Advances, Interest and Fees incurred up to the Statement Date.

If you do not pay your New Balance in full on or before the Payment Due Date, you will lose your interest-free status for Purchases and Fees. If this happens, you must pay interest on all Purchases and Fees shown on that month's Account Statement as well as interest on all new Purchases and new Fees. Interest is calculated from the transaction date, until the day we process your payment for the total amount you owe. To regain interest-free status on your Purchases and Fees, you must pay your New Balance by the Payment Due Date. Interest on previously billed Purchases and Fees that has accrued since the end of the last Account Statement period to the date payment in full of the New Balance is received, will appear on your next month's Account Statement.

Cash Advances never benefit from an interest-free Grace Period. This means interest is charged from the transaction date.

b. Applicable to CLSB Account only

The Interest Rate(s) in effect for the entire period covered by an Account Statement is calculated by taking our Prime Interest Rate in effect on the first business day of the month in which we prepare your Account Statement and adding the interest rate premium (fixed percentage) applicable to the Account. We will tell you what your interest rate premium is in a document accompanying each Card. Your Interest Rate changes as our Prime Interest Rate changes. We will review the Account and Interest Rates from time to time, and may decrease or increase your interest rate premium at any time. If we change your interest rate premium, we will give you thirty (30) days written notice of the change.

We will charge you interest on the amount of each Purchase, Cash Advance and Fee from (and including) the transaction date recorded for them on the Account Statement, where they appeared for the first time, to the day we receive payment in full of the Debt.

c. Applicable to all Accounts

Fees are treated in the same manner as Purchases for the purpose of charging interest. The transaction date for a Fee is the date that the Fee is posted to the Account.

We do not charge interest on interest.

We calculate interest daily, however we only add it to the Account monthly. The amount of interest we charge is calculated as follows:

- We add the amount you owe each day, and divide that total by the number of days in the Account Statement period. This is your average daily balance; and
- We multiply the average daily balance by the applicable daily interest rate(s) (obtained by taking the annual interest rate(s) and dividing by the number of days in the year). We then multiply this value by the total number of days in the Account Statement period to determine the interest we charge you.

If there is more than one applicable interest rate, we calculate the amount of interest you owe based on the average daily balances that apply to each interest rate.

The Account Statement will show your New Balance, Payment Due Date, transaction and posting dates, and your interest rate(s), including any introductory interest rate or promotional interest rate.

17. Cash Advances

Interest is always charged on a cash advance from the day the cash advance is made. "Cash Advance Fees" or "Promotional Rate Fees" also apply to certain cash advances. These fees are set out in the "Other Fees" Section of this Agreement. All of the following types of transactions are treated as cash advances:

- When a Cardholder makes a cash withdrawal from the Account at an RBC Royal Bank branch or ATM, or at any other financial institution's branch or ATM;
- When a Cardholder uses a Credit Card Cheque;
- When a Cardholder takes advantage of a balance transfer offer by transferring all or part of a balance they owe elsewhere to the Account, through our online banking service or by calling 1-800 ROYAL® 1-2 (1-800-769-2512);
- When a Cardholder makes bill payments from the Account or transfers funds from the Account to another RBC Royal Bank bank account, at one of our branches or ATMs, or through our online banking or telephone banking service (1-800 ROYAL® 1-1) (bill payments made by pre-authorized charges to the Account that a Cardholder sets up with a merchant will usually be treated as Purchases, not as Cash Advances, and we will not charge interest from the transaction date); and
- When a Cardholder makes Cash-Like transactions.

If you are uncertain as to whether a particular transaction will be treated as a Cash Advance or as a Purchase, you should contact us.

18. Standard Annual Fees, Grace Period and Interest Rates:

The following provides some guidance with respect to standard non-refundable annual fees, Grace Periods and standard interest rates for our Cards. Your annual fee may be different from that shown in this Agreement if the terms and conditions for other banking and related services you have with us provide otherwise. Annual fees are charged on the first day of the month following the Account opening (whether or not the Card is activated) and annually thereafter on the first day of that same month.

E-FORM 16157 (01/2014)

Interest Rates					
	First Card	Each Additional Card		Purchase Interest Rate	Cash Advance Interest Rate
Business Cash Back MasterCard					
	\$0	\$0	21	19.99%	21.99%
Visa Business Gold*					
	\$40.00	\$40.00	21	19.99%	21.99%

*We no longer accept applications for this Card.

19. Other Fees:

Cash Advance Fee:

Cash Advance Fee	
No additional charge for a Cash Advance obtained from one of our ATMs in Canada. \$3.50 for a Cash Advance obtained from any other designated ATM located in Canada or for a Cash-Like Transaction made in Canada. \$5.00 for a Cash Advance obtained from an ATM located outside Canada or for a Cash-Like Transaction made outside Canada.	When a Cardholder obtains the following types of Cash Advances at the standard interest rate or at an introductory interest rate, a \$3.50 fee for each transaction will be charged to the Account, unless otherwise stated: (i) cash withdrawals from an Account at one of our branches or ATMs, or at any other financial institution's ATM, in Canada; (ii) bill payments from an Account (that are not pre-authorized charges that a Cardholder sets up with a merchant) or when a Cardholder transfers funds from the Account to another RBC Royal Bank bank account at one of our branches or ATMs, or through our online banking or telephone banking service;

	(iii) when a Cardholder makes Cash-Like Transactions, in Canada. If the cash withdrawal or Cash-Like Transaction occurs outside Canada, a \$5.00 fee will be charged to the Account each time. There is no fee if a Credit Card Cheque is used at the standard Cash Advance Interest Rate or Introductory Interest Rate.
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Promotional Rate Fee: If a Cardholder takes advantage of a Promotional Interest Rate offer during the promotional period by writing a Credit Card Cheque or making a balance transfer through our online banking service or by calling 1-800 ROYAL® 1-2 (1-800-769-2512), a fee representing up to 3% of the Credit Card Cheque or balance transfer amount will be charged to the Account. The exact Promotional Rate Fee will be disclosed at the time the offer is made to you.

Overlimit Fee: If the New Balance shown on your Account Statement exceeds the Card Credit Limit or Account Credit Limit, a \$25.00 fee will be charged to the Account on the Statement Date.

Dishonoured Payment Fee: If a payment is not processed because a financial institution returns a cheque or refuses a pre-authorized debit, a \$40.00 fee will be charged to the Account on the date the payment reversal is posted. This fee is in addition to any fee charged by your financial institution for insufficient funds in the account.

Additional Account Statement Copy: For an additional copy of an Account Statement, a \$5.00 fee will be charged. For each Account Statement update obtained from one of our branches in Canada or at an ATM that provides Account Statement updates, a \$1.50 fee will be charged.

Transaction Receipt Copy Fee: For a copy of any transaction receipt that relates to a transaction on the current Account Statement, no fee will be charged. Otherwise, a \$2.00 fee for each copy will be charged each time the situation occurs. Receipt copies are not always available for Purchases made using a Card with a PIN.

You must pay all Fees. Fees are charged within three (3) business days from when the transaction is posted. Fees may change and if they do, we will tell you in advance.

20. Foreign Currency Transactions:

We will bill you in Canadian currency. If a Cardholder uses a Card and/or the Card number outside Canada or charges amounts to the Account in a foreign currency, we will convert the charges into Canadian dollars no later than the date we post the transaction to the Account at our exchange rate which is 2.5% over a benchmark rate set by the payment card network that is in effect and that we pay on the date of the conversion.

We will show the exchange rate for each transaction on the Account Statement. If you are paying interest on the Account, interest will also be charged on the full value of the foreign transactions, as determined using our exchange rate.

21. RBC Rewards Program:

If a Card allows Cardholders to earn RBC Rewards points which can be redeemed for merchandise, travel and other rewards, you and the Cardholders acknowledge that you and their participation in the RBC Rewards program is subject to the RBC Rewards Terms and Conditions, which are available for review at www.rbc rewards.com. The RBC Rewards Terms and Conditions are subject to change without notice. Paper copies are available upon request, by calling 1-800 ROYAL® 1-2 (1-800-769-2512).

22. RBC Cash Back Program:

If a Card allows Cardholders to earn back a certain percentage of the total amount of eligible net Purchases charged to the Account annually, as a credit to the Account, you and the Cardholders acknowledge that you and their participation in the program is subject to the RBC Cash Back Terms and Conditions, which are available for review at www.rbc.com/businesscashback. The RBC Cash Back Terms and Conditions are subject to change without notice. Paper copies are available upon request, by calling 1-800 ROYAL® 1-2 (1-800-769-2512).

23. Special Offers:

We may make special offers to any Cardholder from time to time including, but not limited to, Introductory Interest Rate and other Promotional Interest Rate offers that temporarily lower the Interest Rate applicable to portions of the Debt, such as certain types of Cash Advances.

We sometimes make Introductory Interest Rate offers that apply to new Accounts only. For example, we could offer a low Introductory Interest Rate for certain transactions for a limited period of time, such as a 3.9% Introductory Interest Rate on all Cash Advances for 9 months.

A Promotional Interest Rate offer is an offer we may periodically make to any Cardholder and that applies to their Card after an Account has been opened. For example, we could offer any Cardholder a low Promotional Interest Rate for certain transactions for a limited period of time, such as a 3.9% Promotional Interest Rate on Credit Card Cheques for 9 months.

If we make any Cardholder a special offer, we will explain its scope and duration and any additional terms that apply to it. If a Cardholder accepts the special offer by using the Credit Card Cheques or otherwise taking advantage of the special offer, both you and the Cardholder will be bound by this Agreement and any additional terms we set out in the offer. When the promotion expires, the special offer terms will end and the terms and conditions of this Agreement will continue to apply, including, but not limited to, those related to the Interest Rate and payments. The Account Statement will set out any Introductory Interest Rate(s) or Promotional Interest Rate(s) that apply to the Cardholder's New Balance, any remaining balances associated with those rates, and when those rates expire. If any expiry date falls on a date for which we do not process Account Statements (for example, weekends and certain holidays), we will continue to provide the Cardholder with the benefit of the Introductory Interest Rate or Promotional Interest Rate until the next statement processing day.

24. Credit Vouchers

If a store or merchant issues a credit voucher or otherwise gives us a refund, we will reduce the balance you owe by the amount of the refund. However, if interest has been charged as a result of the transaction, we will not refund the interest.

If a Cardholder uses their Card or their Card number for a transaction in a foreign currency, and the merchant gives them a credit voucher or refund, the two transactions (the charge and the credit) will not exactly balance because of the exchange rate and currency fluctuations.

25. Recurring Payments:

You are responsible for any recurring payments Cardholders have authorized merchants to charge to an Account, even after you or we cancel this Agreement. If you wish to discontinue any recurring payment, you must contact the merchant in writing and then check the Account Statement to ensure that the payments have, in fact, stopped. If the payments have not stopped despite your instructions to a merchant, we may be able to help you if you give us a copy of the written request to the merchant.

26. Problems With a Purchase:

We are not responsible for any problem you or the Cardholder has with any Purchase. If you or the Cardholder have a problem with anything purchased using a Card or Card number, you must still pay all Debt as required by this Agreement. You must settle the problem or dispute directly with the store or merchant.

In some circumstances, we may be able to help you resolve disputed transactions. If you wish to discuss a dispute, contact us toll-free during regular business hours at 1-800 ROYAL® 1-2 (1-800-769-2512).

We will not be responsible if a Card is not honoured by a merchant at any time and for any other problem or dispute you or a Cardholder may have with a merchant.

27. Account Statement, Verification and Disputes:

Each month, we will provide an Account Statement. We will not provide an Account Statement if there has been no activity on the Account in that month and no Debt is owing.

We prepare the Account Statement at approximately the same time each month. Unless you have opted and consented to electronic Account Statements, we will send the Account Statement to you, directed to the Applicant's address last provided to us by any of you or the Signing Authority or, in the case of Visa Platinum Avion, Visa Business and Visa Business Gold Accounts, directly to Cardholders at your request. If the date on which we would ordinarily prepare the Account Statement falls on a date for which we do not process statements (for example, weekends and certain holidays), we will prepare the Account Statement on the next statement processing day. The Payment Due Date will be adjusted accordingly.

When available, you may choose to receive the Account Statement and Account Documentation through Electronic Means. In that case, the Account Statement and Account Documentation will only be made available to the Applicant and will not be sent directly to Cardholders.

Each month, you will ensure that you promptly examine the Account Statement and each transaction, Interest Rate, charge and fee recorded in it. You will notify us in writing of any errors, omissions, or objections to an Account Statement, or an entry or balance recorded in it, within thirty (30) days from the Statement Date recorded on that Account Statement.

If you do not notify us as required, we are entitled to treat the Account Statement entries and balances as complete, correct and binding on you and we will be released from all claims by you in respect of those Account Statement, entries and balances.

We may use scanning and microfilm, electronic or other reproduction of any Purchase or Cash Advance draft or other document evidencing Debt to establish your liability for that Debt. Upon request, we will provide a microfilm, electronic or other reproduction within a reasonable time frame of any Purchase or Cash Advance draft or other document evidencing the Debt. Original records of Purchases may not be available in paper form. Digital and microfilm records are valid to establish the accuracy of our records.

28. Transfer of Rights:

We may, at any time, sell, transfer or assign any or all of our rights under this Agreement. If we do so, we can share information concerning the Account with prospective purchasers, transferees or assignees. In such case, we will ensure that they are bound to respect your privacy rights in the same way that we are.

29. Electronic Communication:

You acknowledge and agree that we may provide Account Statements, this Agreement or Account Documentation through Electronic Means, with your consent. Any documents sent through Electronic Means will be considered "in writing" and to have been signed and delivered by us as though it were an original document. We may rely on and consider any document received through Electronic Means from the Applicant, an Owner or any Signing Authority, as applicable, or which appears to have been received from either one of you as authorized and binding on you, as though it were an original document. In order to communicate with us by Electronic Means, you agree to comply and require each Cardholder to comply with certain security protocols that we may establish from time to time and to take all reasonable steps to prevent unauthorized access to any Account Statement and any other documents exchanged through Electronic Means.

30. Service Administrator:

A Service Administrator is a person you or a Signing Authority designate in the manner we have prescribed for this purpose, as eligible to perform non-financial transactions on an Account on behalf of the Applicant such as, but not limited to, redeeming RBC Rewards points if your Card(s) earn RBC Rewards points under the RBC Rewards program. A Service Administrator is not authorized to perform financial transactions on behalf of the Applicant such as opening an Account, asking for additional Cards on an Account or for an Account Credit Limit Increase.

31. Amending this Agreement:

We may change the Interest Rates and Fees for each Account periodically. Except as otherwise set out in this Agreement, we may also change this Agreement at any time. If we do, you will be given at least thirty (30) days prior notice of each change. We will notify you of any change in any one or more of the following ways: by sending you a notice (written or through Electronic Means, with your consent), by adding a notice on your Account Statement, by posting a notice in all of our branches, by displaying a notice at our ATMs or by posting notice on our website. If we send you a written notice, we will direct it to the Applicant's address last appearing on our records. If any Card or Card number is used or any Debt remains unpaid after the effective date of a change, it will mean that you have accepted the amendment made to the Agreement.

The benefits and services we provide to any of you and the Cardholders are subject to terms and conditions which may be amended by us from time to time, without notice to you or any Cardholder.

32. Limitations on Our Liability:

We try to ensure that your Card and Card number are accepted when presented. However, we will not be liable to you or any Cardholder for damages (including, but not limited to special, indirect or consequential damages) that may result if, for any reason, a Card or Card number is not accepted or a Cardholder is unable to access the Account.

33. Termination:

- a. We or any one of you may terminate this Agreement at any time by giving notice of termination to the other party(ies) in writing. We will direct it to the Applicant's address last appearing on our records. Your notice must be directed to our address appearing on your last Account Statement.
- b. If any one of the following events occurs, it will mean you are in default. We may terminate this Agreement immediately and without giving you any notice, if:
 - i. any one of you becomes insolvent or bankrupt;
 - ii. someone files a petition in bankruptcy against any one of you;
 - iii. any one of you makes an unauthorized assignment for the benefit of your creditors;
 - iv. any one of you or someone else institutes any proceedings for the dissolution, liquidation or winding up of your affairs;
 - v. any one of you or someone else institutes any other type of insolvency proceeding involving your assets under the Bankruptcy and Insolvency Act or otherwise;
 - vi. the Applicant ceases or gives notice of its intention to cease to carry on business or makes or agrees to make a bulk sale of its assets without complying with applicable laws or any one of you commits an act of bankruptcy;
 - vii. you fail to pay any Debt or to perform any other obligation to us as required under this Agreement;
 - viii. any one of you makes any statement or representation to us that is untrue in any material respect when made; or
 - ix. there is, in our opinion, a material adverse change in the financial condition of any one of you.
- c. If this Agreement is terminated, you must immediately pay all Debt and ensure that each Cardholder destroys their Card and any unused Credit Card Cheques.
- d. If you fail to comply with your obligations to us under this Agreement, you will be liable to us for:
 - i. all costs and expenses if we use a collection agency to collect or attempt to collect the Debt;
 - ii. all court costs and reasonable legal fees and expenses (on a solicitor-client basis) we incur through any legal process to recover any Debt, and
 - iii. all costs and expenses we incur in reclaiming any Card and Credit Card Cheque.

34. Exchange of Information Between You and Us:

Information about a Cardholder's use of their Card or Account, and pertinent information about any reimbursement of Debt received by the Cardholder from the Applicant (or any Owner), Cardholder employment status and location, and any other related Cardholder tracking information may be exchanged between you and us.

35. Liability Waiver Program:

If you have a Visa Platinum Avion, Visa Business or Visa Business Gold Account, the Liability Waiver Program is made available at no cost. You may request us to waive, in accordance with the Liability Waiver Program, your liability for certain unauthorized charges posted to the Account, as set out in this Agreement.

You will abide by the provisions of the Liability Waiver Program as in effect from time to time.

36. Governing Law:

This Agreement shall be interpreted and governed in accordance with the laws of the province or territory in which the Applicant resides (or the laws of the Province of Ontario if the Applicant resides outside Canada) and the applicable laws of Canada. In the event of a dispute, you agree that the courts in the province or territory where the Applicant resides (or the courts in the Province of Ontario if the Applicant resides outside of Canada) shall be competent to hear such dispute and you agree to be bound by any judgment of that court.

37. Complete Agreement, etc.:

This Agreement constitutes the complete agreement between you and us with respect to the Account and Card(s) and related matters. No failure on your part to exercise, and no delay by us in exercising, any right under this Agreement will operate as a waiver thereof; nor will any single or partial exercise by us of any right under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, by us under this Agreement.

38. No Assignment:

Neither the Applicant, nor any Owner, Cardholder or Signing Authority has the right to assign or transfer this Agreement, any Card or Account, to anyone else. If a transfer or assignment takes place, this Agreement will be terminated unless we state, in writing, that it is not terminated.

39. Your Choice of Language

When you applied for an Account, you indicated whether you wanted us to communicate with you in English or French. We will respect your choice in all our correspondence with you. If you would like a copy of this Agreement in the other language or would otherwise prefer to deal with us in the other language, you will let us know.

40. In Quebec:

You have expressly requested that this Agreement and all related documents, including, but not limited to, notices, be drawn up in the English language. *Vous avez expressément demandé que ce contrat et tout document y afférent, y compris tout avis, soient rédigés en langue anglaise.*

41. How to Contact Us

If you need help or have questions about the Account, call us toll-free at 1-800 ROYAL® 1-2 (1-800-769-2612) during regular business hours.

42. Additional Access to Account:

We authorize any individual holding a business client card or business client identification number (B.C.I.N.), issued by us in the name of the Applicant, to obtain advances from the Account, to transfer and deposit funds to the Account and to obtain information about the Account and transactions on the Account by using such business client card or B.C.I.N. In accordance with the terms of the agreements governing the use of such business client card or B.C.I.N.

43. Protecting Your Privacy:**a. Collecting Your Personal Information**

We may from time to time collect financial and other information about you such as:

- i. information establishing your identity (for example: name, address, phone number, date of birth, etc.) and your personal background;
- ii. information related to transactions arising from your relationship with and through us, and from other financial institutions;
- iii. information you provide on an application for any of our products and services;
- iv. information for the provision of products and services; and
- v. information about financial behavior such as your payment history and credit worthiness.

We may collect and confirm this information during the course of our relationship. We may obtain this information from a variety of sources, including from you, from service arrangements you make with or through us, from credit reporting agencies and financial institutions, from registries, from references you provide to us and from other sources, as is necessary for the provision of our products and services.

You acknowledge receipt of notice that from time to time reports about you may be obtained by us from credit reporting agencies.

b. Using Your Personal Information

This information may be used from time to time for the following purposes:

- i. to verify your identity and investigate your personal background;
- ii. to open and operate your account(s) and provide you with products and services you may request;
- iii. to better understand your financial situation;
- iv. to determine your eligibility for products and services we offer;
- v. to help us better understand the current and future needs of our clients;
- vi. to communicate to you any benefit, feature and other information about products and services you have with us;
- vii. to help us better manage our business and your relationship with us;
- viii. to operate the payment card network;
- ix. to maintain the accuracy and integrity of information held by a credit reporting agency; and
- x. as required or permitted by law.

For these purposes, we may:

- i. make this information available to our employees, our agents and service providers, who are required to maintain the confidentiality of this information;
- ii. share this information with other financial institutions; and
- iii. give credit, financial and other related information to credit reporting agencies who may share it with others.

In the event our service provider is located outside of Canada, the service provider is bound by, and the information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located.

Upon your request, we may give this information to other persons.

We may also use this information and share it with RBC companies (i) to manage our risks and operations and those of RBC companies, (ii) to comply with valid requests for information about you from regulators, government agencies, public bodies or other entities who have a right to issue such requests, and (iii) to let RBC companies know your choices under "Other Uses of Your Personal Information" for the sole purpose of honouring your choices. *If we have your social insurance number, we may use it for tax related purposes if you hold a product generating income and share it with the appropriate government agencies, and we may also share it with credit reporting agencies as an aid to identify you.*

c. Other Uses of Your Personal Information

- i. We may use this information to promote our products and services, and promote products and services of third parties we select, which may be of interest to you. We may communicate with you through various channels, including telephone, computer or mail, using the contact information you have provided.
- ii. We may also, where not prohibited by law, share this information with RBC companies for the purpose of referring you to them or promoting to you products and services which may be of interest to you. We and RBC companies may communicate with you through various channels, including telephone, computer or mail, using the contact information you have provided. You acknowledge that as a result of such sharing they may advise us of those products or services provided.
- iii. If you also deal with RBC companies, we may, where not prohibited by law, consolidate this information with information they have about you to allow us and any of them to manage your relationship with RBC companies and our business.

You understand that we and RBC companies are separate, affiliated corporations. RBC companies include our affiliates which are engaged in the business of providing any one or more of the following services to the public: deposits, loans and other financial services; credit, charge and payment card services; trust and custodial services; securities and brokerage services; and insurance services.

You may choose not to have this information shared or used for any of these "Other Uses" by contacting us as set out below, and in this event, you will not be refused credit or other services just for that reason. We will respect your choices and, as mentioned above, we may share your choices with RBC companies for the sole purpose of honouring your choices regarding "Other Uses of Your Personal Information".

d. Your Right to Access Your Personal Information

You may obtain access to the information we hold about you at any time and review its content and accuracy, and have it amended as appropriate; however, access may be restricted as permitted or required by law. To request access to such information, to ask questions about our privacy policies or to request that the information not be used for any or all of the purposes outlined in "Other Uses of Your Personal Information" you may do so now or at any time in the future by:

- i. contacting your branch; or
- ii. calling us toll-free at 1-800 ROYAL® 1-1 (1-800-769-2511).

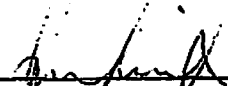
e. Our Privacy Policies

You may obtain more information about our privacy policies by asking for a copy of our "Financial fraud prevention and privacy protection" brochure, by calling us at the toll-free number shown above or by visiting our web site at www.rbc.com/privacysecurity/ca/.

Signed as of the 2nd day of June, 2014
Month Year

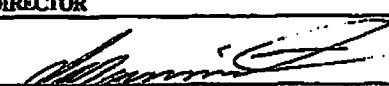
ZSD ELECTRIC INC.

Applicant's legal business name (Name of the sole proprietor, partnership or corporation)

Per: 

Name of Owner: DENNIS ZAMMIT

Title: DIRECTOR

Per: 

Name of Owner: STEVE ZAMMIT

Title: DIRECTOR

Per: _____

Name of Owner: _____

Title: _____

(*I/WE have authority to bind the Applicant.)

(*I/WE agree to be jointly and severally (in Quebec, solidarily) liable with the Applicant and the Owner(s))

®/™ Trademarks of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

* All other trademarks are the property of their respective owners.

This is Exhibit "C" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Royal Bank of Canada
General Security Agreement

SRF: 531116580
Borrower: ZSD ELECTRIC INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

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(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

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So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

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- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if

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Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the

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representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

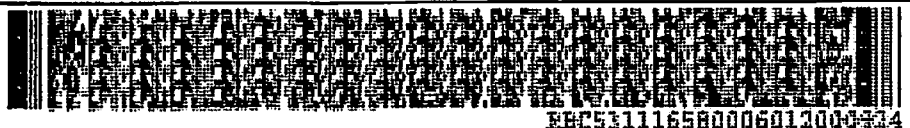
(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any

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Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

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(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to

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RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

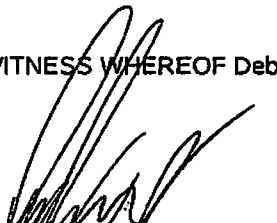
(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

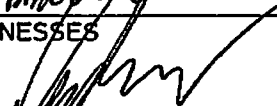
16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

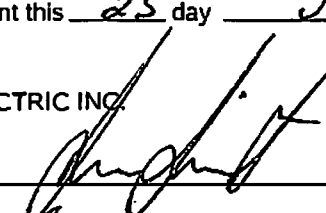
NAME OF BUSINESS DEBTOR ZSD ELECTRIC INC.			
ADDRESS OF BUSINESS DEBTOR UNIT 1, 6790 KITIMAT RD	CITY MISSISSAUGA	PROVINCE ONTARIO	POSTAL CODE L5N5L9

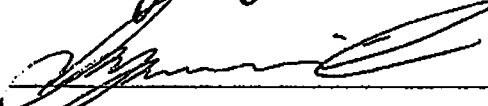
IN WITNESS WHEREOF Debtor has executed this Security Agreement this 23rd day June 2015.



WITNESSES


WITNESSES

ZSD ELECTRIC INC.




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SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

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SCHEDULE "B"

1. Locations of Debtor's Business Operations

UNIT 1, 6790 KITIMAT RD,
MISSISSAUGA
ONTARIO
CA
L5N5L9

2. Locations of Records relating to Collateral

UNIT 1, 6790 KITIMAT RD,
MISSISSAUGA
ONTARIO
CA
L5N5L9

3. Locations of Collateral

UNIT 1, 6790 KITIMAT RD,
MISSISSAUGA
ONTARIO
CA
L5N5L9

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SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

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This is Exhibit "D" referred to in the Affidavit of
Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Royal Bank of Canada
Guarantee and Postponement of Claim

SRF: 531116580
Borrower: ZSD ELECTRIC INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by ZSD ELECTRIC INC. (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of \$455,000.00 together with interest thereon from the date of demand for payment at a rate equal to the Bank's Prime Interest Rate plus 5.00 percent per annum as well after as before default and judgment.

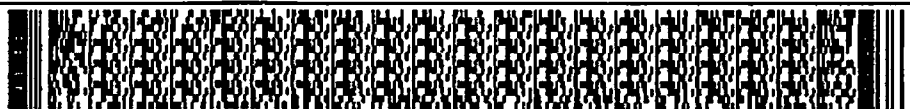
AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

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(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, an every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the province of ONTARIO ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in all P.P.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

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EXECUTED this

06 / 23 / 2015
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

2262525 ONTARIO INC.

Witness Signature:

Name:

Witness Signature:

Name:

Insert the full name and address of Guarantor (Undersigned above).

Full name and address

2262525 ONTARIO INC.
6257 LORCA CRESENT
MISSISSAUGA
ONTARIO
L5N2J3
CA

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This is Exhibit "E" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Royal Bank of Canada
General Security Agreement

SRF: 531116580
Borrower: ZSD ELECTRIC INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

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(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

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So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

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- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

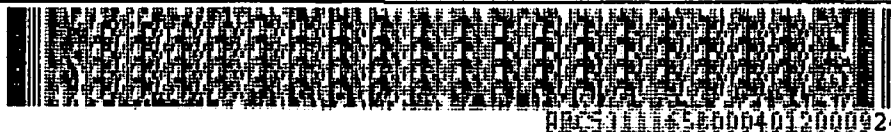
Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if

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Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the

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representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any

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Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

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(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to

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RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

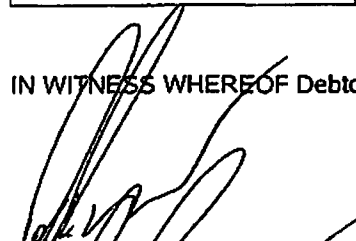
(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

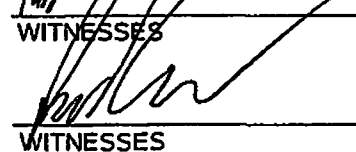
16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR 2262525 ONTARIO INC.			
ADDRESS OF BUSINESS DEBTOR 6257 LORCA CRESENT	CITY MISSISSAUGA	PROVINCE ONTARIO	POSTAL CODE L5N2J3

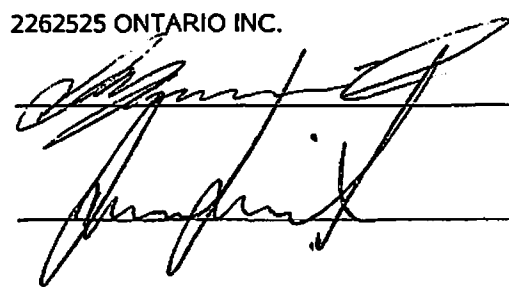
IN WITNESS WHEREOF Debtor has executed this Security Agreement this 23rd day June 2015



WITNESSES


WITNESSES

2262525 ONTARIO INC.



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RBC531116580009012000924

SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

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SCHEDULE "B"

1. Locations of Debtor's Business Operations

6257 LORCA CRESENT,
MISSISSAUGA
ONTARIO
CA
L5N2J3

2. Locations of Records relating to Collateral

6257 LORCA CRESENT,
MISSISSAUGA
ONTARIO
CA
L5N2J3

3. Locations of Collateral

6257 LORCA CRESENT,
MISSISSAUGA
ONTARIO
CA
L5N2J3

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SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

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This is Exhibit "F" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Royal Bank of Canada Guarantee and Postponement of Claim

SRF:
531116580

BRANCH ADDRESS:
3300 HIGHWAY 7
SUITE 200
VAUGHAN, ON
L4K 4M3

BORROWER:
ZSD ELECTRIC INC.

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by ZSD ELECTRIC INC. (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of \$1,200,000.00 One Million Two Hundred Thousand Dollars together with interest thereon from the date of demand for payment at a rate equal to the Prime Interest Rate of the Bank plus 5.000 Five percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of

one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer, excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Ontario ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may

bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 10th day of May, 2023.

WITNESS

DENNIS ZAMMIT

Insert the full name and address of guarantor (Undersigned above).

Full name and address
Dennis Zammit - 1231 Martins Blvd. Brampton, ON L6Y0A1

(Applicable
in all
P.P.S.A.
Provinces.)

This is Exhibit "G" referred to in the Affidavit of

Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Royal Bank of Canada
Postponement and Assignment of Claim

SRF: 531116580
Borrower: ZSD ELECTRIC INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of **ZSD ELECTRIC INC.** (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

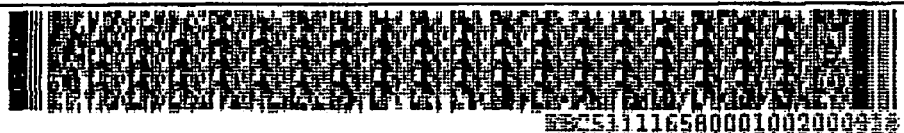
IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSA Provinces)

The Undersigned hereby acknowledges receipt of a copy of this agreement.

Please do not write in this area



EXECUTED at Mississauga this 06/23/15
(Month) (Day) (Year)

In the presence of

Witness

Witness

2262525 ONTARIO INC.

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Mississauga this 06/23/15
(Month) (Day) (Year)

In the presence of

Witness

Witness

ZSD ELECTRIC INC.

Insert the full name and address of Debtor (Undersigned above)

Full name and address

2262525 ONTARIO INC.
6257 LORCA CRESENT
MISSISSAUGA
ONTARIO
L5N2J3

Please do not write in this area



RBC531116580002002000918



Royal Bank of Canada
Postponement and Assignment of Claim

SRF: 531116580
Borrower: ZSD ELECTRIC INC.

3300 HIGHWAY 7
SUITE 200
CONCORD
ONTARIO
L4K 4M3
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of ZSD ELECTRIC INC. (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSA Provinces)

The Undersigned hereby acknowledges receipt of a copy of this agreement.

Please do not write in this area



RBC531116580001002000918

EXECUTED at Mississauga. this 06/23/2015.
(Month) (Day) (Year)

In the presence of

Witness

DENNIS ANTHONY ZAMMIT

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Mississauga. this 06/23/2015.
(Month) (Day) (Year)

In the presence of

ZSD ELECTRIC INC.

Witness

Witness

Insert the full name and address of Debtor (Undersigned above)

Full name and address

DENNIS ANTHONY ZAMMIT
1231 MARTINS BLVD.
BRAMPTON
ONTARIO
L6Y0A1

Please do not write in this area



RR2531114560002002000918

This is Exhibit "H" referred to in the Affidavit of

Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Enquiry Result

File Currency: 28APR 2025







[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	702470214	1	5	1	12	18DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
702470214		01	001		20141218 1944 1531 0169	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ZSD ELECTRIC INC.								
	Address				City	Province	Postal Code		
	1 - 6790 KITIMAT RD				MISSISSAUGA	ON	L5N 5L9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY								

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			
	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	ZSD ELECTRIC INC.						
File Currency	28APR 2025						
	File Number	Family	of Families	Page	of Pages		
	702470214	1	5	2	12		
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT							
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under	
		01	001		20191115 1447 1530 9068		
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period	
	702470214		X	B RENEWAL	5		
Reference Debtor/ Transferor	First Given Name			Initial	Surname		
	Business Debtor Name ZSD ELECTRIC INC.						
Other Change	Other Change						
Reason / Description	Reason / Description						
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname	
	Business Debtor Name					Ontario Corporation Number	
	Address				City	Province	Postal Code
Assignor Name	Assignor Name						
Secured Party	Secured party, lien claimant, assignee						
	Address				City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.	
General Collateral Description	General Collateral Description						
Registering Agent	Registering Agent or Secured Party/ Lien Claimant CANADIAN SECURITIES REGISTRATION SYSTEMS						

	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	ZSD ELECTRIC INC.				
File Currency	28APR 2025				
	File Number	Family	of Families	Page	of Pages
	702470214	1	5	3	12

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20241122 0825 1532 0995	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	702470214			B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name ZSD ELECTRIC INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			
	Address			City
				Province
				Postal Code

Assignor Name	Assignor Name
Secured Party	Secured party, lien claimant, assignee
	Address
	City
	Province
	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	D + H LIMITED PARTNERSHIP

	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	736317585	2	5	4	12	07FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
736317585		01	005		20180207 1434 8077 7286	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ZSD ELECTRIC INC.								
	Address				City	Province	Postal Code		
	6790 KITIMAT RD, UNIT 1				MISSISSAUGA	ON	L5N5L9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	180 WELLINGTON ST WEST, 5TH FL				TORONTO	ON	M5J 1J1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	AS PER MASTER LEASE AGREEMENT DATED FEBRUARY 7, 2018 TOGETHER								
	WITH ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE								
	DEBTOR AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL								
Registering Agent	Registering Agent								
	REGISTRY = RECOVERY INC.								
	Address				City	Province	Postal Code		
	1551 THE QUEENSWAY				TORONTO	ON	M8Z 1T5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	736317585	2	5	5	12	07FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
736317585		02	005		20180207 1434 8077 7286				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	300-5575 NORTH SERVICE RD				BURLINGTON	ON	L7L 6M1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	736317585	2	5	6	12	07FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
736317585		03	005		20180207 1434 8077 7286				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	736317585	2	5	7	12	07FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
736317585		04	005		20180207 1434 8077 7286				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	736317585	2	5	8	12	07FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
736317585		05	005		20180207 1434 8077 7286				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	COLLATERAL.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages				
	736317585	2	5	9	12				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		01	001		20180208 1033 8077 7344	P PPSA			
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	736317585			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name			ZSD ELECTRIC INC.					
Other Change	Other Change								
Reason / Description	Reason / Description								
	AMEND DEBTOR ADDRESS								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name			Ontario Corporation Number					
	ZSD ELECTRIC INC.								
	Address			City	Province	Postal Code			
	6810 KITIMAT ROAD, UNIT 21			MISSISSAUGA	ON	L5N5M2			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	REGISTRY = RECOVERY INC.								

	Address	City	Province	Postal Code
	1551 THE QUEENSWAY	TORONTO	ON	M8Z 1T5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769516074	3	5	10	12	28JAN 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769516074		001	1		20210128 1501 1532 1273	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ZSD ELECTRIC INC.								
	Address				City	Province	Postal Code		
	6810 KITIMAT ROAD SUITE 21				MISSISSAUGA	ON	L5N 5M2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	21SEP1969	DENNIS			A	ZAMMIT			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	6810 MARTIN'S BLVD SUITE 21				BRAMPTON	ON	L6Y 0A1		
Secured Party	Secured Party / Lien Claimant								
	TD AUTO FINANCE (CANADA) INC.								
	Address				City	Province	Postal Code		
	PO BOX 4086, STATION A				TORONTO	ON	M5W 5K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X			
Motor Vehicle Description	Year	Make	Model			V.I.N.			
	2021	GMC	YUKON			1GKS2DKL1MR228581			
General Collateral Description	General Collateral Description								
	THE FULL DEBTOR NAME IS - DENNIS ANTHONY ZAMMIT								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	771753159	4	5	11	12	21APR 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
771753159		01	001		20210421 1041 1529 3516	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ZSD ELECTRIC INC.								
	Address				City	Province	Postal Code		
	6810 KITIMAT ROAD #SUITE 21				MISSISSAUGA	ON	L5N 5M2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO	ON	M2P 0A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X				X	X			X
Motor Vehicle Description	Year	Make	Model			V.I.N.			
	2021	RAM	1500			1C6SRFHT3MN692867			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	ZSD ELECTRIC INC.								
File Currency	28APR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	776382561	5	5	12	12	14SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
776382561		001	1		20210914 1744 1532 7774	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	ZSD ELECTRIC INC								
	Address				City	Province	Postal Code		
	SUITE 21 6810 KITIMAT ROAD				MISSISSAUGA	ON	L5N5M2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO	ON	M2P 0A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	35038.24	13SEP2026	
Motor Vehicle Description	Year	Make	Model		V.I.N.				
	2017	FORD	TRANSIT 250		1FTYR1YVXHKA93088				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

LAST PAGE

Note: All pages have been returned.

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This is Exhibit "I" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Vagadia, Yatri

From: Vagadia, Yatri
Sent: Friday, April 26, 2024 9:11 AM
To: Dennis Zammit
Subject: RE: ZSD Electric Inc | Meeting with RBC April 09, 2024

Hi Dennis,

Thanks for sending this across. I will review this and advise if I require any other information.

Thanks,
Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

From: Dennis Zammit <dzammit@zsd.ca>
Sent: Thursday, April 25, 2024 4:35 PM
To: Vagadia, Yatri <yatri.vagadia@rbc.com>
Subject: RE: ZSD Electric Inc | Meeting with RBC April 09, 2024

[External]/[Externe]

Hi Yatri,

I hope this message finds you well. Enclosed, you will find the items requested. Regarding the outstanding HST amount we discussed, Holly from our office processed the payment yesterday. However, it has yet to reflect on the report. Attached is a screenshot of the payment confirmation for your reference.

Acknowledging the current situation, I can understand the concerns. Rest assured, as we transition into our peak season, we anticipate a positive shift in our financial figures over the coming months. Additionally, progress on phase 2 of the apartment building project is steadily advancing and should be finalized within the next month or so with an estimated value of \$7 million.

I've also attached what we have on our books currently, we just started our April invoicing for projects that need to be invoiced by the 25th of each month, final invoicing will be done on the last day of the month.

Should you require any further documentation or additional information, please let me know.

Thanks Yatri

Regards,
Dennis Zammit
ZSD Inc.
(905)997-8834

From: Dennis Zammit <dzammit@zsd.ca>
Sent: Thursday, April 25, 2024 2:40 PM
To: Vagadia, Yatri <yatri.vagadia@rbc.com>
Subject: Re: ZSD Electric Inc | Meeting with RBC April 09, 2024

Hi Yatri,

I will send them as soon as I'm back in the office in an hour or so. I haven't forgotten but thanks for the reminder!

Regards,
Dennis Zammit
ZSD Inc.

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Thursday, April 25, 2024 2:32:19 PM
To: Dennis Zammit <dzammit@zsd.ca>
Subject: RE: ZSD Electric Inc | Meeting with RBC April 09, 2024

Hi Dennis,

It is a gentle reminder for the documents that are due for April 25, 2024, and the Bank has not received any documents till date.

Regards,
Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

From: Dennis Zammit <dzammit@zsd.ca>
Sent: Thursday, April 11, 2024 5:10 PM
To: Vagadia, Yatri <yatri.vagadia@rbc.com>
Subject: RE: ZSD Electric Inc | Meeting with RBC April 09, 2024

External/Externe

Hello Yatri,

Thank you for your email.

The details regarding our meeting seem to be accurate. I'll ensure to send you the documents by the 25th.

Regards,
Dennis Zammit
ZSD Inc.
(905)997-8834

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Thursday, April 11, 2024 3:19 PM
To: Dennis Zammit <dzammit@zsd.ca>
Subject: ZSD Electric Inc | Meeting with RBC April 09, 2024

Hi Dennis,

Thanks for chatting with me.

As a recap to our conversation, the business has been transferred to Special Loan and Advisory Services ("SLAS") and I will be your first point of contact moving forward. Should you have any questions, please reach out to me directly.

As discussed, Bank has concerns with delayed reporting, non revolvment of the credit facilities, organizational changes and reductions in employees. Further to our conversation, you advised since the exit of the previous partner the direction and focus of the company has changed towards more groundwork rather than focusing on renovation, which was the earlier direction of the company. Thereafter, the Company updated regarding the Hyatt project delay and the impact of the delay on the business has been significant and further the current projects are picking up and the invoicing will be starting from this month on those projects, one of the project manager is not anymore with the Company and the Company currently has one project manager to work on the projects and there are in total 18 employees. The Bank investigated reason for delayed reporting and the Company advised the reason was the Company lost the book-keeper and therefore, there was a delay. Further, there were discussion with the details of payment plan to your previous partner in the business. The Bank inquired with the activity in 2262525 Ontario Inc and Data Guys Inc and the Company advised there are no activities in those companies. The Bank inquired for the source deductions and HST and the Company advised there is ~\$27,000 in HST and ~\$25,000 in payroll and the intention is to pay the payroll in full is by end of this week and for HST will be paid in full by end of April. As advised, we will require some documents to review the file.

Kindly provide the following documents by April 25, 2024 :

1. Company prepared financial statements for the period from Nov 01, 2023 to March 31, 2024
2. Most recent aged accounts payable and receivables report
3. Most recent CRA statement showing amount owing to HST, Payroll, Corporate Taxes
4. Details of loan payable to related parties as per the FS23
5. Details of payment plan to Stephen Zammit
6. 13 weeks forecast for cash flow statements and income statement

Regards,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

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Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

This is Exhibit "J" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Vagadia, Yatri

From: Vagadia, Yatri
Sent: Monday, July 8, 2024 9:56 AM
To: Dennis Zammit
Subject: FW: Meeting with RBC | June 11/24
Attachments: Interim FS (Nov 01, 2023 - April 25, 2024).pdf

Hi Dennis,

As per our below conversation, as you're aware to provide the documents by 5th of every month. We have not received the documents of this month as of today. Please ensure all the documents are provided on timely manner.

As discussed, your account will be monitored by myself for the next few months. To monitor it, I will require the following documents by 5th of every month, to oversee it:

- ***Updated CRA statements for HST and payroll. As advised, kindly be current with the source deduction;***
- ***Monthly statement indicating the expected cash flow and the details of the AR***
- ***Monthly system generated P&L and B/S of the company, with aged AR and AP***

Thanks,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

From: Vagadia, Yatri
Sent: Thursday, June 13, 2024 11:32 AM
To: 'Dennis Zammit' <dzammit@zsd.ca>
Subject: Meeting with RBC | June 11/24

Hi Dennis,

Thank you for taking time to meet me at your office. As discussed in the meeting, the Bank has concerns regarding the delayed reporting for FY23, decline in revenue, YoY losses, non- revolvment of RCL, over utilization of CC and the comments in Compilation Engagement report regarding doubt on Company's ability to continue as going concern . Further, we discussed about the performance of the company and the expected projects that are in the pipeline and further, as advised, currently the Company has reduction in employees from 20-25 employees to 10-15 employees. The rent of the current location is \$7,000 and the Company is current with the rent. Further, I had requested to provide some details on the following matter:

Questions for interim financials from Nov 01, 2023 – April 25, 2024 (Attached for reference) :

- Payroll expense \$633,016.43 and sub-contractors cost of \$611,647.11. The total payroll for ~6 months is \$1.24M
- Explanation for holdback's receivable in BS. As advised, it is 10% holdback. Kindly provide the supporting explaining the projects of holdback.
- The AP as per the BS is \$732,696.19 and as per the IS the net purchases are \$611,647.11. Kindly provide explanation of AP
- Please provide explanation for the amount due to/from:
 - \$229,106.32 due to 2262525 Ontario Inc

- \$500,000 due to 1250221 Ontario Limited
- (\$116,768.91) due from 2252527 Ontario Inc

Questions for FY23 compilation engagement report:

- Details of loan receivable from related party for \$101,647
- Please advise the detail of unearned revenue of \$200,743
- Please provide a list of property, plant and equipment

Further, I advised to have a collateral mortgage charge on the property, and you have agreed to provide the extended collateral on the property (1231 Martins Blvd, Brampton, ON, L6Y 0A1) and further advised me RBC already has a mortgage charge on the property and the outstanding balance is ~\$ 750K. To proceed with the registration of collateral, we will require to retain a legal counsel and as advised, the legal cost will be taken care by the Company. Further, I advised initially for 2-3 months I will monitor the cashflow of the company based on monthly reporting of the requested documents and in future, we will be looking to retain a consultant to get a better understanding with regards to the AR and the expected projects and a detailed cashflow prepared by the consultant, given the complexity of the business and the fees of the consultant will be taken care by the Company.

As discussed, your account will be monitored by myself for the next few months. To monitor it, I will require the following documents by **5th of every month**, to oversee it:

- Updated CRA statements for HST and payroll. As advised, kindly be current with the source deduction;
- Monthly statement indicating the expected cash flow and the details of the AR
- Monthly system generated P&L and B/S of the company, with aged AR and AP

For the month of June 2024, kindly provide the above documents and explanation for the above questions related to the FS by **June 20, 2024**, as I am aware your travelling this week for work.

Please reach out to me for further questions.

Regards,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
 RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
 E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

This is Exhibit "K" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Matthew Cameron

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Wednesday, July 10, 2024 10:55 AM
To: Dennis Zammit
Subject: RE: ZSD Electric Inc (Account overdrawn)

Hi Dennis,

Thanks for the update.

Thanks,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

From: Dennis Zammit <dzammit@zsd.ca>
Sent: Wednesday, July 10, 2024 10:53 AM
To: Vagadia, Yatri <yatri.vagadia@rbc.com>
Subject: RE: ZSD Electric Inc (Account overdrawn)

[External]/[Externe]

Good Morning Yatri, it was deposited at about 9:30 this morning. Thanks

Regards,
Dennis Zammit
ZSD Inc.
(905)997-8834

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Wednesday, July 10, 2024 9:34 AM
To: Dennis Zammit <dzammit@zsd.ca>
Subject: RE: ZSD Electric Inc (Account overdrawn)

Hi Dennis,

Thanks for the update. As of today, the C/A is overdrawn by \$2,051.22, therefore, I will proceed to put the accounts on deposits only until the C/A is in good standing. Please advise when the funds are deposited.

Thanks,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

From: Dennis Zammit <dzammit@zsd.ca>
Sent: Tuesday, July 9, 2024 4:10 PM
To: Vagadia, Yatri <yatri.vagadia@rbc.com>
Subject: RE: ZSD Electric Inc (Account overdrawn)

[External]/[Externe]

Hi Yatri, this will get cleared tomorrow morning, I am picking up the \$145k first thing. Thanks and my apologies for letting it get this low.

Regards,
Dennis Zammit
ZSD Inc.
(905)997-8834

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Tuesday, July 9, 2024 9:58 AM
To: Dennis Zammit <dzammit@zsd.ca>
Subject: ZSD Electric Inc (Account overdrawn)

Hi Dennis,

On reviewing the status of account ending 7111 and the RCL, they are currently overdrawn by \$1,008.38 and \$2,940.59, respectively. Can you please bring both the C/A and RCL within their respective limits immediately.

Thanks,
Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

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This is Exhibit "L" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Matthew Cameron

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Wednesday, August 7, 2024 9:49 AM
To: Dennis Zammit
Subject: ZSD Electric Inc

Hi Dennis,

The C/A ending 7111 is overdrawn and currently at -\$6,230.93. Can you please get the account in good standing as soon as possible. Further, kindly provide the monthly reporting and additional documents requested by EOD.

Thanks,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

This is Exhibit "M" referred to in the Affidavit of
Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Matthew Cameron

From: Vagadia, Yatri <yatri.vagadia@rbc.com>
Sent: Thursday, September 5, 2024 4:00 PM
To: Dennis Zammit <dzammit@zsd.ca>
Cc: Andre Ducasse <aducasse@solowaywright.com>
Subject: Meeting with RBC X ZSD | Sept 04/24

Hi Dennis,

Thanks for taking time to chat with me.

As a recap of our conversation, the Bank has concerns with non-revolvement of the credit facilities, the interim financial statements are indicating losses of \$770K for the period Nov 23- July 24 on the revenue of \$1.94MM. As per the details provided as of July 04, 2024, there is HST owing of \$33K and payroll outstanding of \$4K, which are prior-ranking claims due to CRA. Further, the Bank had proposed to retain a consultant and to this recommendation was not accepted by the Company. The Bank had proposed for a collateral mortgage charge on the residential property which was not agreeable by the Company.

Given the above ongoing defaults and concerns, the Bank has retained counsel and we will be issuing demands for the payment. Andre Ducasse from Soloway Wright LLP is our counsel. Demands will come directly from his office directly. If you have retained or intend on retaining counsel, please provide your counsel's information. Otherwise, our counsel will communicate with you directly. Furthermore, all the legal costs will be borne by the Company.

In the interim, the Bank reserves all its rights and remedies.

Regards,

Yatri Vagadia, CA | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

Vacation Notification:

Sept 11-Sept 13

Sept 19-Sept 30

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

This is Exhibit "N" referred to in the Affidavit of
Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



Soloway Wright LLP
700 - 427 Laurier Avenue West
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880
F: 613.238.8507
www.solowaywright.com

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50028-1165

BY COURIER, REGULAR MAIL AND EMAIL (dzammit@zsd.ca)

September 6, 2024

ZSD Electric Inc.
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2

Dear Sir, Madam:

Re: Indebtedness to Royal Bank of Canada

We are the lawyers for Royal Bank of Canada (the "Bank"). ZSD Electric Inc. (the "Company") is indebted to the Bank as of September 4, 2024, in respect of the following (subject to change and errors and omissions excluded):

Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,195.47	19.99%
Credit Card	**** * 9364	\$1,767.32	19.99%
Credit Card	**** * 3176	\$50.00	19.99%
Credit Card	**** * 1023	\$134,850.67	19.99%
HASCAP Loan	07512 69477347 002	\$76,648.52	\$8.37 (per diem)
Royal Credit Line	07512 69477347 001	\$636,638.66	\$152.11 (per diem)

The foregoing indebtedness owed to the Bank by the Company as of September 4, 2024 is therefore the aggregate amount of **\$851,150.64**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

The foregoing amounts are exclusive of further accrued interest and costs, fees and disbursements incurred by the Bank. The Bank expressly reserves all of its rights and remedies with respect to same.

Ottawa Office	Kingston Office
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2 T: 613.236.0111 1.866.207.5880 F: 613.238.8507	510 – 366 King Street, Kingston ON K7K 6Y3 T: 613.544.7334 1.800.263.4257 F: 1.800.263.4213

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

In light of the Company's defaults with respect to the above-noted loans and Security, and/or the Company's breaches of various covenants contained in the loan agreements and the Security, and/or the said credit facilities being demand facilities, on behalf of the Bank, we hereby demand payment from the Company of the full amount of the Indebtedness, along with accrued interest and costs, fees and disbursements incurred by the Bank, by September 16, 2024. The Bank reserves its right to enforce the Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in the Company's financial circumstances.

Should the Company fail to pay the Indebtedness by September 16, 2024, this correspondence shall constitute notice, pursuant to the Security held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs, fees and disbursements incurred to the date of payment.

Enclosed please find two (2) Notices of Intention to Enforce Security with respect to the Company and 2262525 Ontario Inc. which are delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with Consents with respect to earlier enforcement for the companies' execution.

You may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,



André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

- 1. General Security Agreement of ZSD Electric Inc., dated June 23, 2015**
- 2. Guarantee and Postponement of Claim of 2262525 Ontario Inc., limited to the principal amount of \$455,000.00, dated June 23, 2015**
- 3. General Security Agreement of 2262525 Ontario Inc., dated June 23, 2015**
- 4. Guarantee and Postponement of Claim of Dennis Zammit, limited to the principal amount of \$1,200,000.00, dated May 18, 2023**
- 5. Postponement and Assignment of Claim of 2262525 Ontario Inc., dated June 23, 2015**
- 6. Postponement and Assignment of Claim of Dennis Anthony Zammit, dated June 23, 2015**
- 7. BDC's Eligible Borrower's Representations and Warranties, dated June 28, 2021**
- 8. BDC's Eligible Borrower's Representations and Warranties, dated June 29, 2021**

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: ZSD Electric Inc.
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2 (the “Debtor”)

DATED: September 6, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Royal Bank of Canada pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of Royal Bank of Canada. A copy of the Notice is attached.

The Debtor hereby consents to Royal Bank of Canada enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases Royal Bank of Canada, its officer, employees, agents and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by Royal Bank of Canada prior to the expiry of the said notice period.

ZSD Electric Inc.

Name:

Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: ZSD Electric Inc.
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2 (the "Debtor")

TAKE NOTICE THAT:

1. Royal Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form of the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of September 4, 2024 is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

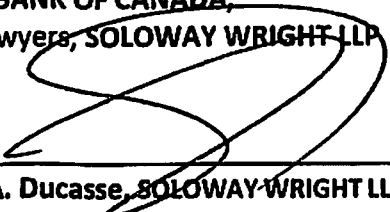
Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,195.47	19.99%
Credit Card	**** * 9364	\$1,767.32	19.99%
Credit Card	**** * 3176	\$50.00	19.99%
Credit Card	**** * 1023	\$134,850.67	19.99%
HASCAP Loan	07512 69477347 002	\$76,648.52	\$8.37 (per diem)
Royal Credit Line	07512 69477347 001	\$636,638.66	\$152.11 (per diem)

The foregoing indebtedness owed to the Bank is therefore the aggregate amount of **\$851,150.64**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements incurred by the Bank.

4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this Notice, unless the insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 6th day of September, 2024.

ROYAL BANK OF CANADA,
by its lawyers, SOLOWAY WRIGHT LLP



André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: 2262525 Ontario Inc.
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2 (the “Debtor”)

DATED: September 6, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Royal Bank of Canada pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of Royal Bank of Canada. A copy of the Notice is attached.

The Debtor hereby consents to Royal Bank of Canada enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases Royal Bank of Canada, its officer, employees, agents and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by Royal Bank of Canada prior to the expiry of the said notice period.

2262525 Ontario Inc.

Name:

Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: 2262525 Ontario Inc.
6810 Kitimat Road, Unit 21
Mississauga, ON L5N 5M2 (the "Debtor")

TAKE NOTICE THAT:

1. Royal Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form of the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of September 4, 2024 is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

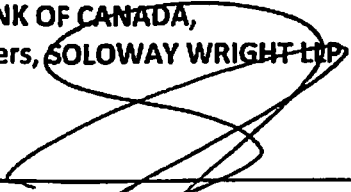
Facility	Loan No.	Amount Outstanding	Interest
Credit Card	**** * 7643	\$1,195.47	19.99%
Credit Card	**** * 9364	\$1,767.32	19.99%
Credit Card	**** * 3176	\$50.00	19.99%
Credit Card	**** * 1023	\$134,850.67	19.99%
HASCAP Loan	07512 69477347 002	\$76,648.52	\$8.37 (per diem)
Royal Credit Line	07512 69477347 001	\$636,638.66	\$152.11 (per diem)

The foregoing indebtedness owed to the Bank is therefore the aggregate amount of **\$851,150.64**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements incurred by the Bank.

4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this Notice, unless the insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 6th day of September, 2024.

**ROYAL BANK OF CANADA,
by its lawyers, SOLOWAY WRIGHT LLP**



**André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile**

Schedule "A"

- 1. General Security Agreement of ZSD Electric Inc., dated June 23, 2015**
- 2. Guarantee and Postponement of Claim of 2262525 Ontario Inc., limited to the principal amount of \$455,000.00, dated June 23, 2015**
- 3. General Security Agreement of 2262525 Ontario Inc., dated June 23, 2015**
- 4. Guarantee and Postponement of Claim of Dennis Zammit, limited to the principal amount of \$1,200,000.00, dated May 18, 2023**
- 5. Postponement and Assignment of Claim of 2262525 Ontario Inc., dated June 23, 2015**
- 6. Postponement and Assignment of Claim of Dennis Anthony Zammit, dated June 23, 2015**
- 7. BDC's Eligible Borrower's Representations and Warranties, dated June 28, 2021**
- 8. BDC's Eligible Borrower's Representations and Warranties, dated June 29, 2021**

This is Exhibit "O" referred to in the Affidavit of

Yatri Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Vagadia, Yatri

From: Vagadia, Yatri
Sent: Thursday, February 6, 2025 10:48 AM
To: Dennis Zammit
Subject: RBC X ZSD Electric Inc
Attachments: Blank PSOA.pdf

Dennis, I would like to bring to your attention the C/A of ZSD Electric Inc is overdrawn by \$4,522.90. Kindly bring the account in good standing by end of the day. Further, as per the credit agreement, following reporting was due on **January 28, 2025**, and the Bank has not received the financials till date, which constitutes a breach as per the credit agreement. Kindly provide the requested information by **February 10, 2025**.

1. Personal Statement of Affairs of Dennis Zammit (Blank PSOA is attached)
2. Aged accounts payable listing
3. Aged accounts receivables listing
4. Compilation engagement of ZSD Electric Inc and 2262525 Ontario Inc.

Thanks,

Yatri Vagadia | Senior Manager, Special Loans & Advisory Services
RBC Royal Bank of Canada | 20 King St W, 2nd Floor, Toronto, ON, M5H 1C4
E-mail: yatri.vagadia@rbc.com | T: 416-949-2268

This is Exhibit "P" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Matthew Cameron

From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Wednesday, January 8, 2025 1:12 PM
To: Andre Ducasse; Matthew Cameron
Cc: Julie Mitchell; Noah Aresta; Roxanne Chapman
Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Thank you for your patience, please note that my client has informed me that he will not be proceeding with the forbearance agreement.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: January 6, 2025 11:49 AM
To: Steven Singh <ssingh@regencylawgroup.ca>; Matthew Cameron <mcameron@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>
Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Steve,

I have heard nothing further from you following my below email. Please note that unless a fully and duly executed copy of the attached forbearance agreement is returned to me by 5:00 p.m. on January 8, 2025, my instructions

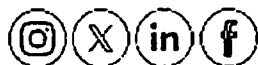
are to forthwith issue a claim against the guarantors and bring a receivership application against the company, which I trust will not be necessary.

This will again confirm that no defaults are being waived by the Bank, and that the Bank is reserving all of its rights and remedies.

Regards,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



**Soloway
Wright** lawyers

Ottawa Office:
700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

 solowaywright.com

From: Andre Ducasse <aducasse@solowaywright.com>

Sent: Monday, December 2, 2024 2:28 PM

To: Steven Singh <ssingh@regencylawgroup.ca>; Matthew Cameron <mcameron@solowaywright.com>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Importance: High

Steve,

We've repeatedly been through this. For the various reasons previously provided to both you and your client, the Bank wishes to exit the relationship. Thus, your client will need to find an alternate lender. The Bank has been more than reasonable and offered to provide your client with some time to do so under the terms of a forbearance agreement. In the absence of a forbearance agreement, I suspect that my instructions will be to move forward with the Bank's remedies. In the event your client reconsiders and is prepared to execute the terms of the attached forbearance agreement, please let me know by no later than noon on December 5, 2024, and I will see if the Bank will agree to extend the acceptance deadline for your client to accept the forbearance agreement.

I trust you and your client appreciate the Bank's position in the circumstances.

In the interim, this will again confirm that no defaults are being waived by the Bank, and that the Bank is reserving all of its rights and remedies.

Regards,
Andre

Andre Ducasse
Partner/Associé

📞 613-782-3225
📠 613-238-8507 (Ottawa)
📠 343-344-2737 (Kingston)
✉️ aducasse@solowaywright.com



**Soloway
Wright** lawyers

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700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

🌐 solowaywright.com

From: Steven Singh <ssingh@regencylawgroup.ca>

Sent: Wednesday, November 20, 2024 6:58 PM

To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Cameron <mcameron@solowaywright.com>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

WITHOUT PREJUDICE



Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

www.regencylawgroup.ca

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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: November 20, 2024 12:36 PM

To: Steven Singh <ssingh@regencylawgroup.ca>; Matthew Cameron <mcameron@solowaywright.com>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Steve,

Please see my responses below in blue text.

As discussed, the Bank is not prepared to forbear in the absence of a forbearance agreement. Thus, please provide me with your clients' position on these issues by no later than noon on November 22, 2024, as the Bank has been abundantly patient, and I will thereafter seek instructions from the Bank as to whether it is prepared to extend the deadline for your clients to accept the terms of the forbearance agreement.

Thank you,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



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Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>

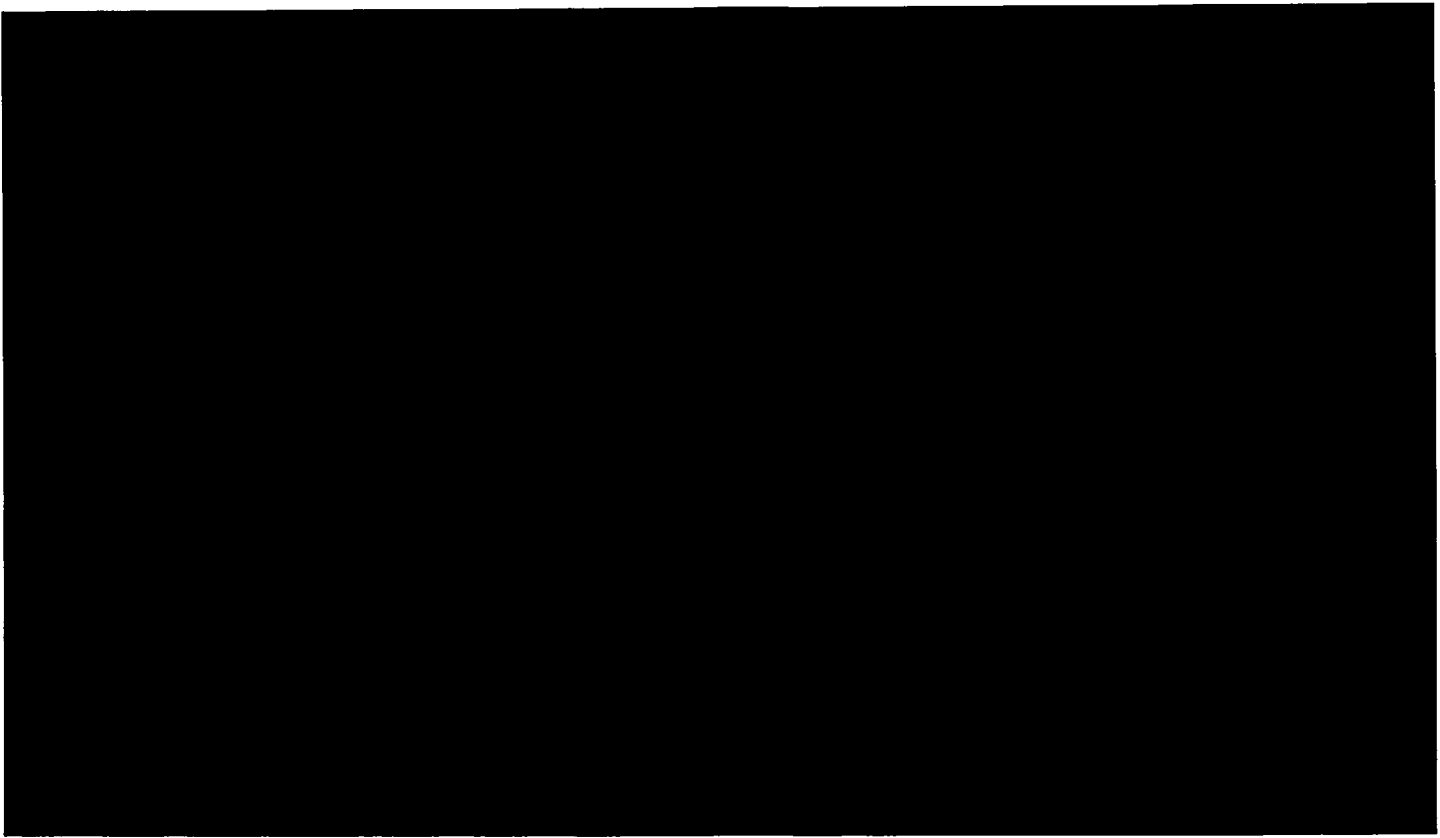
Sent: Thursday, November 14, 2024 2:59 PM

To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Cameron <mcameron@solowaywright.com>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

WITHOUT PREJUDICE





194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: November 8, 2024 10:11 AM

To: Steven Singh <ssingh@regencylawgroup.ca>; Matthew Cameron <mcameron@solowaywright.com>

Cc: Erynn Richards <erichards@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Steve,

The Bank is prepared to extend the forbearance agreement acceptance deadline to 4:00 pm on November 14, 2024. Please note, however, that no further extensions will be granted.

In the interim, this will confirm that no defaults are being waived by the Bank, and that the Bank is reserving all of its rights and remedies.

Thanks,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



**Soloway
Wright** lawyers

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700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>

Sent: Friday, November 8, 2024 9:45 AM

To: Matthew Cameron <mcameron@solowaywright.com>

Cc: Erynn Richards <erichards@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Andre Ducasse <aducasse@solowaywright.com>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Hello Matt,

For some reason this email did not make its way into my inbox. As a result, this has now come to my attention and I have not yet had an opportunity to review.

Please let me know if November 14, 2024, suffices as an extension.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

www.regencylawgroup.ca

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From: Matthew Cameron <mcameron@solowaywright.com>

Sent: November 4, 2024 8:00 AM

To: Steven Singh <ssingh@regencylawgroup.ca>

Cc: Erynn Richards <elrichards@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Andre Ducasse <aducasse@solowaywright.com>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Good morning, Mr. Singh,

I am a lawyer assisting Mr. Ducasse with this file.

Please find attached a forbearance agreement in regard to the above noted matter for your client's review and execution. Please note that this offer is open for acceptance until **November 7, 2024**.

Please reach out if I can be of further assistance.

Best regards,
Matt

Matthew Cameron
Lawyer

613-782-3237
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
mcameron@solowaywright.com



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Kingston, ON K7K 6Y3

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Matthew Cameron

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, October 21, 2024 6:09 PM
To: Steven Singh
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Steve,

Thank you for confirming, we will prepare a forbearance agreement accordingly.

Regards,
Andre

Andre Ducasse
Partner/Associé

📞 613-782-3225
📠 613-238-8507 (Ottawa)
📠 343-344-2737 (Kingston)
✉️ aducasse@solowaywright.com



**Soloway
Wright** lawyers

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700-427 Laurier Avenue West
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Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

🌐 solowaywright.com



From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Friday, October 18, 2024 5:16 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

I write to confirm my client's acceptance of the terms outlined in your October 9th, email. Please circulate a forbearance agreement.

Sincerely,

Steve C. Singh

Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

www.regencylawgroup.ca

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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: October 15, 2024 2:50 PM

To: Steven Singh <ssingh@regencylawgroup.ca>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Steve,

The Bank will agree to extend the deadline to Friday, October 18, 2024.

No further extensions will be provided.

Thanks,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



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Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Tuesday, October 15, 2024 11:18 AM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Noah Aresta <naresta@regencylawgroup.ca>; Julie Mitchell <jmitchell@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Good afternoon, Andre,

I hope this message finds you well. I am following up on my email below, in which I requested an extension of the deadline to respond to RBC's forbearance proposal. Given the urgency of this matter, I would appreciate it if you could kindly confirm whether the Bank is agreeable to extending the deadline to **Friday, October 18, 2024**.

As mentioned, my clients are still in the process of exploring alternate financing options, and an extension would provide the necessary time to make an informed decision.

I look forward to your response at your earliest convenience. Thank you for your attention to this matter.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

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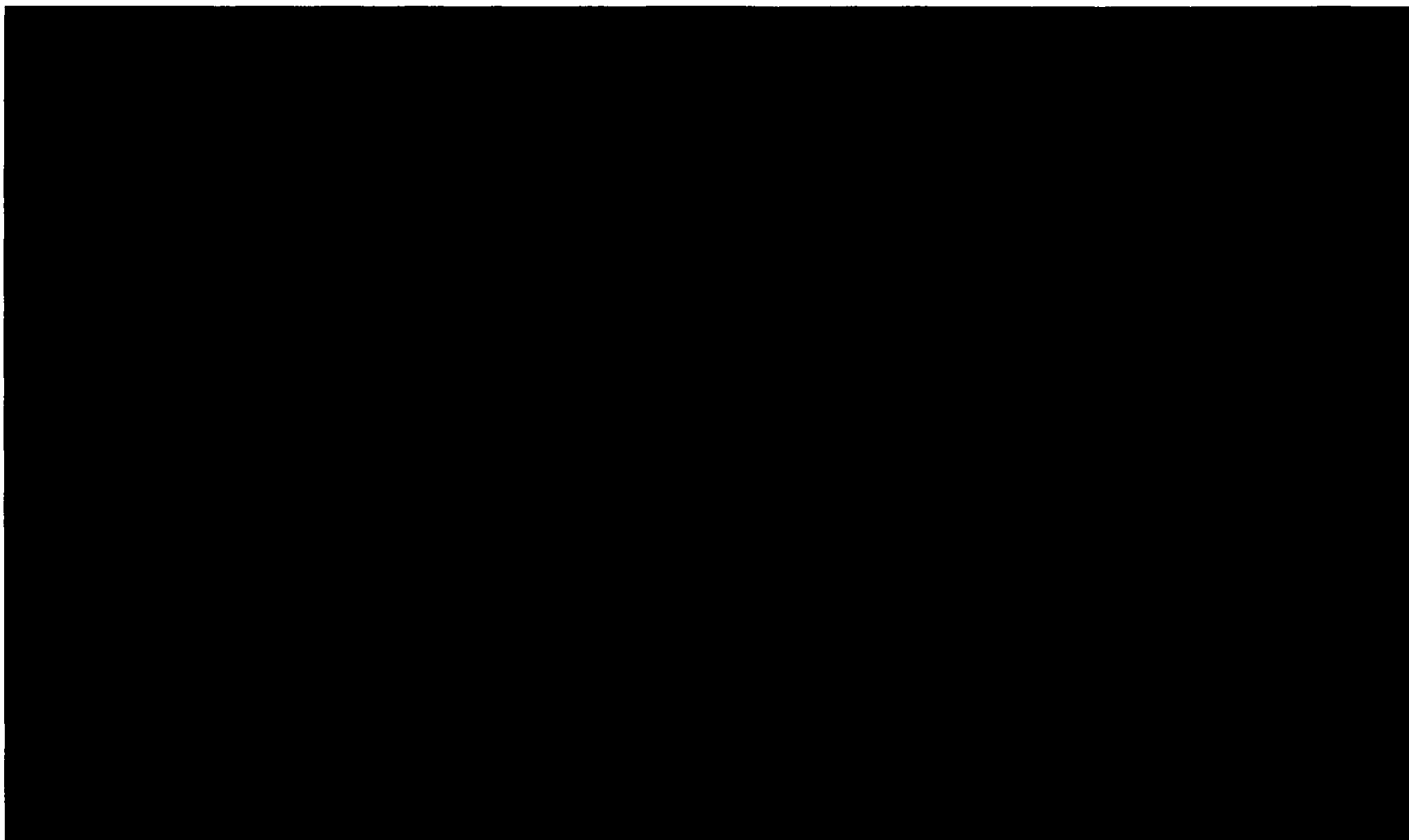
From: Steven Singh
Sent: October 10, 2024 8:13 PM

To: Andre Ducasse <aducasse@solowaywright.com>

Cc: Noah Aresta <naresta@regencylawgroup.ca>; Julie Mitchell <jmitchell@regencylawgroup.ca>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

WITHOUT PREJUDICE



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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: October 9, 2024 2:54 PM

To: Steven Singh <ssingh@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Without Prejudice



Andre Ducasse
Partner/Associé

📞 613-782-3225
📠 613-238-8507 (Ottawa)
📠 343-344-2737 (Kingston)
✉️ aducasse@solowaywright.com



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Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>

Sent: Monday, October 7, 2024 3:29 PM

To: Andre Ducasse <aducasse@solowaywright.com>

Cc: Erynn Richards <erichards@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Thank you for your response. I'd like to provide some context as to why we believe this extended period is necessary and in the Bank's best interest.

The core issue is that a shorter period, such as four months, is simply not a realistic timeframe for my client to restructure the business's cash flow and secure sufficient funding to pay off the entire debt. My client is managing

several large-scale construction projects that are currently in progress, and these projects, while promising substantial future revenue, require more time to come to fruition. A compressed timeline would only create unnecessary pressure, leading to a higher risk of default—a scenario we all want to avoid.

My client's goal is to **ensure full repayment to RBC** while maintaining the operational stability of his business. By extending the forbearance period to 24 months with **consistent monthly payments of \$25,000**, RBC would see a steady reduction in its exposure, backed by a personal guarantee and additional security if required.

We are confident that a structured approach like this will provide RBC with better long-term assurance of recovery compared to the risks associated with an aggressive short-term repayment plan. That said, we remain open to further discussions and are willing to consider a compromise on the timeframe if a suitable middle ground can be found that works for both parties.

Please let me know if RBC is willing to consider these points, and I look forward to your response.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: October 7, 2024 3:18 PM

To: Steven Singh <ssingh@regencylawgroup.ca>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Steve,

I will seek instructions, but I'm a bit perplexed as to why a 24-month forbearance period would be proposed? As discussed, the Bank won't agree to such a lengthy period, which is why the Bank had proposed 4 months.

Please advise and I will seek instructions.

Thanks,
Andre

Andre Ducasse
Partner/Associé

☎ 613-782-3225
📍 613-238-8507 (Ottawa)
📍 343-344-2737 (Kingston)
✉ aducasse@solowaywright.com



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Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>

Sent: Monday, October 7, 2024 2:04 PM

To: Andre Ducasse <aducasse@solowaywright.com>

Cc: Noah Aresta <naresta@regencylawgroup.ca>; Julie Mitchell <jmitchell@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: October 1, 2024 1:40 PM
To: Steven Singh <ssingh@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Steven,

As you will appreciate, the Bank has now called its loans and issued a notice of intention to enforce security pursuant to s. 244 of the BIA, which expired on September 16, 2024, such that it has been entitled to enforce its security since that time. The below terms are therefore not acceptable to the Bank, as it is not prepared to be paid out over a period of approximately 38 months.

However, on a without prejudice basis, the Bank is prepared to consider entering into a forbearance agreement on the following terms:

- The forbearance period shall be for a period of four months to permit your client to secure funds/alternate financing to repay the indebtedness owing to the Bank.
- The line of credit shall be capped at the current outstanding limit, and permanently reduced by \$25,000 per month throughout the forbearance period. This will permit your clients to continue to operate will reducing the Bank's exposure during the forbearance period.
- The credit card facilities shall be cancelled and converted to a non-accrual loan with interest thereon at RBC prime + 5% (as opposed to the current 19.99%).
- All other loan payments, including the HASCAP loan, shall be made as and when due in accordance with the current loan agreements.
- Your clients shall continue to provide financial reporting to the Bank (including reporting on the status of the company's HST and source deduction remittances, along with A/R and A/P listings, and internally prepared financial statements).
- These terms will need to be memorialized in a forbearance agreement acceptable to the Bank, which will also contain the Bank's standard terms and conditions, including consents to judgment, and receivership and bankruptcy orders, which shall be held in escrow by my office, and released only in the event of default under the terms of the forbearance agreement.

Please note that these terms are open for acceptance until 5:00 pm on October 7, 2024, and if not accepted by then, they will be deemed to have been automatically withdrawn.

In the interim, this will confirm that no defaults are being waived by the Bank under the terms of any loan and security instrument granted to it, and that it is expressly reserving its rights and remedies in this regard.

I look forward to hearing from you once you have instructions from your clients.

Regards,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



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Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Monday, September 23, 2024 3:26 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>; Noah Aresta <naresta@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Hope all is well; I spoke with my client and would like to propose the following forbearance terms:

Initial Payment: A lump sum payment of \$50,000.00 to be made within 60 days from the execution of the Forbearance Agreement.

Monthly Instalments: Monthly payments of \$15,000.00, commencing 60 days after the initial payment, for a period of 12 months.

Final Payment: The remaining balance to be paid in full within 24 months from the date of the last monthly installment payment.

Cap on Debt: The total amount to be repaid will be capped at the outstanding balance as of the date of the forbearance agreement, with no additional interest, fees, or costs accruing beyond this amount during the repayment period, provided that the payment terms are adhered to.

Please let me know if you'd like to discuss further, I am available via telephone should you wish to touch base.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: September 18, 2024 10:11 AM

To: Steven Singh <ssingh@regencylawgroup.ca>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Sure, you can call me then on my direct (613.782.3225).

Thanks,
Andre

Andre Ducasse

Partner/Associé

☎ 613-782-3225
📠 613-238-8507 (Ottawa)
📠 343-344-2737 (Kingston)
✉ aducasse@solowaywright.com



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Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Wednesday, September 18, 2024 9:32 AM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Does today at 4pm work for you?

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809
Fax: 1-905-393-9080
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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: September 17, 2024 1:37 PM
To: Steven Singh <ssingh@regencylawgroup.ca>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Steve,

I'm not available at 5:00 pm today given a previous commitment. I am generally available tomorrow, except between about 11:45 am to 1:30 pm.

Thanks,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



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510-366 King Street East
Kingston, ON K7K 6Y3

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From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Tuesday, September 17, 2024 12:33 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

I am still in court and am unsure when my matter will be called. Is it possible to push this call either for 5.00pm or discuss tomorrow?

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809
Fax: 1-905-393-9080
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From: Steven Singh
Sent: September 16, 2024 4:50 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Thank you for speaking with me. I write to confirm our meeting for tomorrow at 2pm, if anything changes on your end, please let me know and I will do the same.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
Hamilton, Ontario L8P 3A7

Telephone: 1-905-383-0500 ext. 809
Fax: 1-905-393-9080
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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: September 16, 2024 8:56 AM
To: Steven Singh <ssingh@regencylawgroup.ca>
Subject: RE: ZSD Electric Inc. ats RBC (50028-1165)

Good morning, Steve,

You will have noted that I was out of the office last Friday. I have availability tomorrow (except between 10:30-11:00 am) and Wednesday for a call if that works for you.

Thank you,

Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



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From: Steven Singh <ssingh@regencylawgroup.ca>

Sent: Thursday, September 12, 2024 2:50 PM

To: Andre Ducasse <aducasse@solowaywright.com>

Cc: Julie Mitchell <jmitchell@regencylawgroup.ca>; Noah Aresta <naresta@regencylawgroup.ca>; Roxanne Chapman <rchapman@solowaywright.com>

Subject: ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

I hope this email finds you well. I've left a voicemail for you regarding the above file and write to confirm that I am in the process of being retained by ZSD Electric Inc.

I'd like to set up a call for next week and trust that no further steps will be taken in the interim.

I look forward to speaking with you.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



194 James Street South
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Telephone: 1-905-383-0500 ext. 809

Fax: 1-905-393-9080

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This is Exhibit "Q" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)



**RBC
Royal Bank**

Special Loans & Advisory Services
Group Risk Management
20 King Street West, 2nd Floor
Toronto, Ontario
M5H 1C4
Yatri.vagadia@rbc.com

February 27, 2025

Sent by Email (dzammit@zsd.com)

Personal and Confidential

ZSD Electric Inc
6810 Kitimat Rd, Unit 21
Mississauga, Ontario
L5N 5M2

Attention: Dennis Zammit

**Re: Royal Bank of Canada (the "Bank") loans to ZSD ELECTRIC INC. (the
"Borrower")**

The terms of the credit facilities offered to the Borrower by the Bank are set out in a letter credit agreement dated March 31, 2020 (the "Credit Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Credit Agreement.

Our recent review reveals that the Borrower is in default of the following covenant(s) under the terms of the Credit Agreement for the fiscal period ended October 31, 2024:

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) Annual aged list of accounts receivable and aged list of accounts payable for the Borrower, within 90 days of each fiscal year end;
- b) Annual notice of reader financial statements for the borrower and 2262525 Ontario Inc, within 90 days of each fiscal year end;
- c) Annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2021;

According to our records, the Bank has yet to receive any of the aforementioned document(s).

The above constitutes a default under the Credit Agreement (the "Reporting Default").

As a result of the Reporting Default, the Bank has the right to demand repayment of all of the obligations owing by the Borrower to the Bank under the Credit Agreement, and to pursue any and

all of its rights and remedies against the Borrower and all Guarantors, including without limitation, any rights and remedies provided for under any security granted to the Bank in respect of the obligations owing by the Borrower and all Guarantors.

Additionally, we are requesting copies of current CRA assessments/statements showing status of HST and Source Remittances for the Borrower, up to January 31, 2025.

The Bank is not prepared to tolerate the Reporting Default at this time. As such, we require the Reporting Default to be remedied, as well as the additional CRA statements/assessments to be provided, by no later than **March 13, 2025**.

The Bank is not waiving any defaults under the Credit Agreement or any other documents executed and delivered in connection therewith, whether listed or not listed herein. It is up the Borrower to ensure compliance with its obligations under the Credit Agreement. The Bank specifically reserves all of its rights it has under contract and at law.

This letter is being delivered to you without any prejudice to, and the Bank hereby expressly reserves, all available rights, remedies, powers and claims in their entirety under the Credit Agreement, its security or otherwise, or at law or in equity or otherwise which may be exercised or otherwise pursued at any time, and from time to time, in the sole and absolute discretion of the Bank.

We remind you that your account(s) and/or loans are to continue to operate and repay as agreed and any cheques or debits presented on account(s) will be returned NSF, without notice to you, if such cheques and/or debits may cause an excess.

We trust that you will give this matter your immediate attention.

Yours Truly,

ROYAL BANK OF CANADA



Yatri Vagadia, Senior Manager, Special Loans

This is Exhibit "R" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Matthew Cameron

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Tuesday, April 8, 2025 1:50 PM
To: Steven Singh
Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Hello Steven,

Your below email and the reporting provided by your client confirm the following:

- Accounts payable of \$1,311,562.02, with \$1,041,073.56 of this amount over 90 days past due;
- Accounts receivable of only \$515,615.91, with \$158,056.94 over 90 days;
- Profit of only \$100,526.67 for the period of Nov. 2024 to Mar. 2025;
- HST arrears of \$132,453.49;
- Payroll arrears of \$4,538.80;
- Balance sheet as of July 31/24 show liabilities exceeding assets by \$2,483,887.91;
- A net loss of \$849,588.97 for the 2024 fiscal year;
- No realistic or acceptable plan to repay the Bank.

Further, the Bank has confirmed the following further breaches as of this morning:

- Neither the company nor the corporate guarantor have provided their accountant prepared financial statements by January 31, 2025, as required pursuant to their reporting obligations;
- The line of credit was overdrawn by \$2,416;
- The current account was overdrawn by \$8,000; and
- The company's auto loan is 26 days delinquent.

It is evident that the company is insolvent and the Bank's position is deteriorating. In the circumstances, and given that your client refused to sign the forbearance agreement proposed by the Bank, the Bank was left with no alternative but to (i) close the line of credit and convert the balance to a non-accrual loan, and (ii) bring a receivership motion for the appointment of a court-appointed receiver to realize on the Bank's security. Please note in this regard that the line has now been closed and our receivership motion material will follow under separate cover in due course.

Your clients were given with ample opportunity to address the Bank's concerns but consistently failed to do so.

We trust you appreciate the Bank's position in the circumstances.

Regards,
Andre

Andre Ducasse
Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
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From: Steven Singh <ssingh@regencylawgroup.ca>
Sent: Tuesday, April 1, 2025 11:01 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Noah Aresta <naresta@regencylawgroup.ca>; Stephanie Gallagher <sgallagher@regencylawgroup.ca>
Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Hello Andre,

Thank you for your patience.

I write further to your below correspondence, which I have reviewed with my clients. Please see the following in response, including updated financial information and further context addressing the Bank's concerns.

1. Financial Reporting and Priority Payables

My client has now provided updated financial documentation, including:

- Preliminary financial statements for the 2025 fiscal year to date;
- An income statement and profit and loss statement confirming a net loss of \$849,588.97 for the 2024 fiscal year;
- A breakdown of HST arrears showing payments made and the current balances owed to the CRA;
- Confirmation that the \$4,000 in payroll/source deduction arrears was paid on March 18, 2025; and
- A personal statement of affairs addressing questions regarding net worth.

As previously noted, the 2024 year-end numbers were only delivered to the accountant in early March 2025 due to a delayed transition from Sage to QuickBooks Online. That transition was further delayed by the commencement of a CRA audit, which remains ongoing. My client continues to cooperate with the CRA and has scheduled additional meetings this month to finalize a repayment plan in relation to HST and other arrears.

2. Credit Facilities and Account Activity

With respect to the allegation regarding overdrawn accounts and the non-revolvement of credit facilities, my client advises that the line of credit was in fact being used as intended: drawn upon and replenished periodically, in accordance with the revolving nature of the facility.

3. Financial Deterioration and Business Prospects

While there was a material downturn in ZSD's financial position in 2023 and 2024, primarily due to broader industry challenges since the COVID-19 pandemic, the company has made significant internal changes and is beginning to see recovery. The attached 2025 preliminary financials reflect improved performance and renewed profitability.

My client is also actively pursuing substantial project opportunities, one of which—if/when secured—is expected to have a material positive impact on cash flow and operations. The company is entering its historically strongest season and remains committed to meeting its obligations, including repayment to RBC.

4. Proposal for Resolution

Given the above, my client is reiterating his request that the Bank consider a structured repayment arrangement. It is not feasible for the company to make a lump-sum payment, and any attempt to enforce insolvency or seek the appointment of a receiver would result in minimal recovery. Conversely, allowing the company to continue operating with a realistic payment plan would better serve the Bank's interests, and provide for greater recovery.

Sincerely,

Steve C. Singh
Barrister & Solicitor
Associate



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Hamilton, Ontario L8P 3A7

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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: March 25, 2025 11:16 AM

To: Steven Singh <ssingh@regencylawgroup.ca>

Subject: RE: Forbearance Agreement - ZSD Electric Inc. ats RBC (50028-1165)

Thank you, Steven.

For whatever reason, Stephanie's email was caught by our spam filters, but I acknowledge receipt of the statement of defence delivered on behalf of your clients. I anticipate that my instructions will be to deliver a reply and then bring a motion for summary judgments and/or for the appointment of a receiver. As you will appreciate, pursuant to the loan and security instruments granted by your clients to the Bank, your clients will be fully liable for the costs associated with these ongoing proceedings. Thus, can you please confirm how your clients intend to repay the Bank. In this regard, the Bank has been more than patient. It's demands for payment and notices of intention to enforce security pursuant to s. 244 of the BIA expired on September 16, 2024, such that the Bank has been entitled to enforce its security since then. I'd be happy to coordinate a call to further discuss same.

In the interim, your clients continue to be in default of numerous terms and conditions set out in the loan and security instruments held by the Bank. In this regard, I understand from the Bank that there are regular excesses on the facilities granted to your client, with accounts being regularly overdrawn. I also understand that the defaults set out in the attached February 27, 2025 breach letter issued by the Bank to the company have not been remedied. I also note that the Bank's previous requests for the financial reporting set out in the attached have been ignored. In addition to the reporting requested in the attached breach letter, the Bank will also require that your client's provide reporting on the status of its priority payables, including the status of the company's HST and source deduction remittances, along with CRA statements regarding same by no later than the end of business on March 28, 2025. Please note that this reporting is required pursuant to the express terms and conditions of the Bank's loan and security agreements, and the failure to provide same will constitute a further breach by your clients.

In the interim, this will confirm that no defaults are being waived by the Bank and that the Bank is expressly reserving all of its rights and remedies.

I look forward to hearing from you with respect to the foregoing issues.

Regards,
Andre

Andre Ducasse
Partner/Associé

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This is Exhibit "S" referred to in the Affidavit of Yatri

Vagadia sworn on June 18, 2025.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

ZSD ELECTRIC INC.

Respondent

**APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43,
s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the
Personal Property Security Act, R.S.O. 1990, c. P.10 and
Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure***

C O N S E N T

msi Spergel inc. hereby agrees and consents to act as the Court-appointed receiver/manager without security of the respondent, ZSD Electric Inc., should a receivership order be made in the within application against the said respondent.

DATED this 5th day of June, 2025.

msi Spergel inc.

Per: _____



Name: Mukul Manchanda, CPA, CIRP, LIT

**Title: Managing Partner, Corporate Restructuring &
Insolvency**

ROYAL BANK OF CANADA
Applicant

-and-

ZSD ELECTRIC INC.
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and
s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of
the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and
Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No. CV-25-00004090-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT BRAMPTON

APPLICATION RECORD

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