



This is the 1<sup>st</sup> affidavit of  
Andrew Cole in this case and  
was made on November 21, 2024

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NO. \_\_\_\_\_  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
FELIX PAYMENT SYSTEMS LTD.

PETITIONER

**A F F I D A V I T**

I, **Andrew Cole**, business person, of 1400-355 Burrard Street, Vancouver, British Columbia,  
SWEAR THAT:

**I. INTRODUCTION**

1. In October 2024, I was appointed and remain the Chief Executive Officer of Felix Payment Systems Ltd. ("**Felix**"). Prior to that, I was the Chief Financial Officer of Felix from mid-2021 to October 2024. I have been involved in the restructuring efforts of Felix to date. Where necessary, I have also reviewed the books and records maintained by Felix in the ordinary course of business. As such, I have personal knowledge of the matters described in this affidavit, except where I say that my knowledge is based on information from others, in which case, I believe the same to be true.

2. This affidavit is sworn in support of a petition by Felix dated November 21, 2024 for an initial order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36 (the "**CCAA**") substantially in the form attached as Schedule "A" to the petition to be filed with this Court concurrently with my affidavit (the "**Initial Order**").

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

## II. OVERVIEW

4. Felix is a privately-held financial technology company based in Vancouver, British Columbia specializing in cloud-based payment acceptance infrastructure and associated software systems. On October 15, 2024, (the “**NOI Filing Date**”), Felix filed a notice of intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985 c. B-3 (the “**BIA**”), which commenced the NOI proceeding (the “**NOI Proceeding**”). Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed to act as the proposal trustee (in such capacity, the “**Proposal Trustee**”). On November 12, 2024, this Court (sitting in bankruptcy and insolvency) granted Felix an extension of time to file a proposal to December 30, 2024.

5. Felix remains insolvent as of the date of this affidavit. Felix is in a liquidity crisis and, absent the approval of the additional financing proposed to be made available under the debtor-in-possession credit facility (the “**DIP Facility**”), Felix will not be able to meet its post-NOI Filing Date obligations as they become due. Further, the nature of the issues facing Felix (discussed below) require the greater flexibility afforded by CCAA proceedings.

6. This restructuring is required to address several issues facing Felix, and I believe that such a proceeding is in the best interests of all of Felix’s stakeholders:

- (a) there has been a breakdown in the relationship between the existing lenders/equity holders of Felix, and as such, no party is prepared to inject further financing under the current structure. In order to preserve the value of Felix’s business, it is necessary to commence a sales and investment solicitation process (the “**SISP**”) to restructure the ownership and financing structure of Felix’s business; and
- (b) the nature of the debt, security and status of enforcement against Felix’s assets is in dispute, and needs to be addressed and confirmed expeditiously in a court-supervised process.

7. Given the nature of Felix’s business as an early-stage technology company, there is likely little to no value for stakeholders in a liquidation. Further, without addressing these issues expeditiously, any residual value is likely further compromised. Consequently, Felix is requesting this Court continue the NOI Proceeding as a proceeding under the CCAA (the “**CCAA Proceeding**”) so that the adverse consequences associated with a bankruptcy can be avoided.



The conversion to a CCAA Proceeding is intended to benefit all of Felix's stakeholders, including the company's many employees, customers, suppliers, creditors, and other contracting parties.

8. Mr. Jake Boxer, the CA Mordy Legacy Trust (the "**Mordy Trust**"), and PEL Chartered Professional Accountants Inc. have collectively agreed to provide additional financing to Felix to fund the restructuring process through the DIP Facility (in their capacity as lenders in this proceeding collectively, the "**DIP Lender**") to, among other things, provide Felix with the immediate access to funding needed to continue to operate and preserve the value of its operations. As noted below, Felix does not produce sufficient revenues at this stage of its development to fund its operations, and as a technology-based business, its value is as a going-concern.

### III. CORPORATE STRUCTURE AND MANAGEMENT

#### a. Felix's Product

9. Felix has developed a novel cloud-based payment acceptance infrastructure and associated software system that transforms non-traditional hardware into a certified payment terminal. Felix's payment acceptance technology enables contactless payments on near-field communication-enabled devices without the need for additional hardware, making payment acceptance more accessible for all businesses. This technology allows payment terminals to be put on non-traditional hardware, such as cellphone or tablets, through a software application. Felix's value proposition is that it brings to market a method for offloading the 'payment engine' for processing electronic payments to a cloud environment and entirely off-device. This makes the payment acceptance method for businesses more flexible and easier to integrate with a variety of devices.

10. In particular, Felix allows its end users to access the software via its Android application or integration into another software product with its Software Development Kit (the "**SDK**"). The flexibility of Felix's SDK means it can be integrated into other software and is easier to work with than other systems. In addition to the initial deployment and integration of the software platform with customers, Felix is responsible for maintaining the cloud environment and all necessary certifications to operate a financial services technology. Because of the sensitive nature of the data being transmitted, certain certifications are required by payment processors and payment networks (e.g. VISA and MasterCard) to ensure sufficient security in the software. Felix has or is in the process of completing a number of these certifications, which are discussed below.

Additionally, Felix provides support outlined in their applicable customer service level agreements.

11. Unlike its competition, Felix's payment platform caters to mid- and large-sized businesses because it can be adapted and deployed in more sophisticated software environments. The unique payment acceptance technology reduces certification overhead, device maintenance, and dependency on traditional terminal providers for businesses, and enables businesses of all sizes to accept payments everywhere. As Felix's platform is pre-certified for major payment processors and payment networks, it reduces certification delays and costs that businesses would otherwise incur.

12. To market its product, Felix contracts with channel partners, rather than a more traditional direct-to-end user strategy. Felix sells its services via four primary categories of channel partners (the "**Channel Partners**"): original equipment manufacturers, independent software vendors, and financial institutions and their agents. Felix maintains contracts with its Channel Partners for referral business as well as contracts with the end-user businesses.

13. Felix's contracts with the Channel Partners typically generate revenue via a combination of two mechanisms: (i) a recurring SaaS License Fee charged monthly per device utilising the Felix system; and (ii) a transaction fee charged per individual transaction. Additionally, Felix imposes one-time implementation and set-up fees for each deployment.

**b. History and Ownership of Felix**

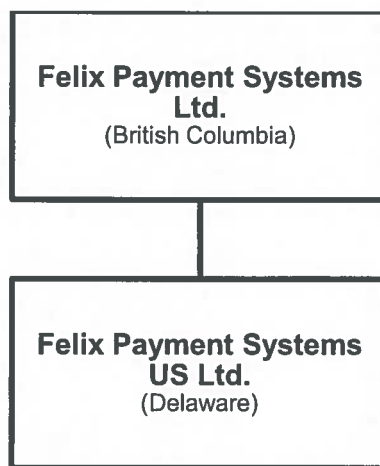
14. In 2017, Owen Newport, Warren Hogg, Kieran Moloney, Sean Dennis, Oliver Ransford and Jay Donovan (the "**Founders**") founded an Australian company called Gentek Global PTY Ltd. ("**Gentek**"). In March 2020, the Founders relocated all of Gentek operations to Canada and incorporated Felix in British Columbia. Gentek's intellectual property was transferred to and is now held by Felix. Ultimately, in 2023, Gentek was closed. Attached hereto as **Exhibit "A"** is a true copy of the corporate registry search with respect to Felix, as at November 18, 2024.

15. According to the books and records of Felix, the company is privately owned by 23 shareholders. Its largest shareholder, Mr. Jake Boxer, holds approximately 18% of the outstanding shares. Mr. Boxer is an original seed investor in Felix with Mr. Doug Mordy, who together hold approximately 30% of the outstanding shares. A copy of the Central Securities Register as of August 31, 2023 is attached hereto as **Exhibit "B"**.

16. In July 2020, PayFelix Inc. was incorporated in Delaware to facilitate interactions with US-based investors and commercial partners. PayFelix Inc. is not part of the current business and to the best of my knowledge, has never been used and has no assets or liabilities. In January 2023, Felix Payment Systems US Ltd. ("**Felix US**") was incorporated in Delaware to serve US customers. Although Felix US remains a 100% owned subsidiary of Felix, it has not recognized any revenue or accumulated any assets to date.

c. **Corporate Structure**

17. The following is a copy of Felix's current corporate structure:



18. Felix is the only applicant in the CCAA Proceeding and operates from its headquarters at 1400-355 Burrard Street, Vancouver, BC, V6B 2G8. Felix is the borrower under all credit facilities and is the centralized entity through which the company's cash needs are managed.

d. **Employees**

19. Felix employs 32 people. Felix US has no employees. Felix has two directors, both of whom are based in Vancouver, British Columbia. Over 85% of the employees at Felix work on the technology team. The technology team is divided into four subgroups:

- (a) the Cloud Services team develops and maintains Felix's cloud back-end production environment and the core communication logic of Felix's overarching solution with other systems;
- (b) the Infrastructure team provides technical support for any of the business needs other than cloud services.



- (c) the Client Services team handles any client-facing operations; and
- (d) the Database & Portal team handles the database for Felix's product information storage and the device management and reporting tool Felix provides its customers.

20. The largest group within the technology team is Cloud Services, with 12 employees. The aggregate payroll for Felix is approximately \$260,000 per month (excluding the cost of benefits).

21. All of Felix's employees are non-unionized and there are no pensions, retirement, or deferred compensation plans for their benefit. Through its benefits provider, Victor Insurance, Felix sponsors a group benefit plan offering extended health care, dental care, counselling services, and long-term disability benefits (among other things) to its employees.

22. In April 2023, Felix initiated an Employee Share Option Program (the "**ESOP**") for certain eligible employees, allowing them to receive common shares of Felix. The ESOP was implemented in response to requests from key employees who desired ownership in the company and, as a pre-profit company, the ESOP was also intended to serve as a non-cash incentive program to promote employee retention. While options were issued under the program, no shares were issued under the ESOP.

**e. Real Property**

23. Felix has one sublease agreement for its office space located at 1400-355 Burrard Street, with estimated annual payments of approximately \$326,730. In an effort to cut costs earlier this year, Felix relocated to this address because the sublease ends on August 31, 2025 and, therefore, reduces long-term fixed costs because the shorter lease provided Felix with a favourable lease rate.

**f. Accounts and Credit Card**

24. Felix maintains three bank accounts, one credit card, and one guaranteed investment certificate with the Royal Bank of Canada ("**RBC**"). Two of the accounts are with RBC Canada, one in Canadian dollars and one in American dollars. One of the accounts is with RBC US, in American dollars, and is maintained to facilitate the receipt of funds from partners in the United States. The guaranteed investment certificate is held with RBC for \$20,000 and secures Felix's credit card obligations with RBC.

25. Payroll payments are made using Payworks Inc., a workforce management application. Payroll amounts are transferred to Payworks, who then deposits them in the employees' accounts.

**g. Intellectual Property**

26. As a financial technology company, Felix is in the process of protecting its intellectual property to ensure the value of its key asset: its intellectual property. To further that goal, on May 7, 2021, Felix submitted applications under the international Patent Cooperation Treaty and four national patent applications in Canada, United Kingdom, Australia, and the United States, which are as follows:

- (a) WO2021223036 - SYSTEMS AND METHODS FOR CENTRALIZED AUTHENTICATION OF FINANCIAL TRANSACTIONS. International Application No. PCT/CA2021/050644 under the Patent Cooperation Treaty.
- (b) Canadian Patent Application Serial No. 3,175,247. SYSTEMS AND METHODS FOR CENTRALIZED AUTHENTICATION OF FINANCIAL TRANSACTIONS.
- (c) United Kingdom Patent Application No. 2217516.0. National Phase Entry of PCT/CA2021/050644. SYSTEMS AND METHODS FOR CENTRALIZED AUTHENTICATION OF FINANCIAL TRANSACTIONS.
- (d) United States Patent Application Serial No. 17/996,200, National Phase Entry of PCT/CA2021/050644. SYSTEMS AND METHODS FOR CENTRALIZED AUTHENTICATION OF FINANCIAL TRANSACTIONS.
- (e) Australian Application No. 2021267568, Systems and methods for centralized authentication of financial transactions.

**IV. FINANCIAL POSITION OF FELIX**

27. A copy of Felix's condensed interim statement of financial position as at September 30, 2024 is attached hereto as **Exhibit "C"**. Certain information contained in that unaudited balance sheet is summarized below.

28. The following is a summary of Felix's financial position based on the available books and records. I have also reviewed the records and emails of departed employees. Felix has continued

to review and refine the information available with respect to the nature and quantum of its obligations since the NOI Filing Date. Given the start-up nature of Felix's business, and the liquidity issues that Felix has faced, its books and records require updating. For example, many of the outstanding amounts in the books and records do not include accrued interest. Some of the litigation claims discussed in paragraph 71 below include disputes regarding documentation that was allegedly signed by Felix, and therefore, Felix requires additional time to review all of its documents before providing a more definitive summary of Felix's outstanding obligations. To the best of my knowledge, the below reflects Felix's present financial position based on the information I have been able to locate. Given the disputed nature of the debts and security, it is anticipated that a limited claims process may be necessary as part of or in conjunction with the SISP to confirm the amount, validity, and priority of any outstanding obligations.

**a. Assets**

29. As at September 30, 2024, Felix had total unconsolidated assets with a book value of approximately \$653,291.05, which consisted primarily of the following:

<b>Asset Type</b>	<b>Book Value (Consolidated)</b>
Cash	\$19,063.88
Accounts Receivable	\$189,939.76
Tax Credits and Grants	\$25,281.58
Prepaid Expenses	\$353,449.15
Equipment	\$36,807.20
Long Term Investment	\$20,000
Related Party	\$7,243.57
Other Assets	\$1,504.91
Investment in Subsidiary	\$1
<b>Total</b>	<b>\$653,291.05</b>



30. As noted above, Felix is a start-up technology company, so the net realizable value of the assets on liquidation may be less than the book value. However, it is anticipated that the value of Felix's business, especially once certifications are complete, will greatly exceed book value.

**b. Liabilities**

31. As at September 30, 2024, Felix had total unconsolidated liabilities with a book value owing of approximately \$19,005,102.01, which consisted primarily of the following:

<b>Liabilities Type</b>	<b>Book Value (Consolidated)</b>
Accounts Payable & Accrued Expenses	\$1,316,020.10
Payroll Liabilities	\$56,947.10
Deferred Revenue	\$406,445.72
Shareholder Loans	\$4,093,605.34
Non-Related Party Debt	\$11,389,201.84
Long Term Debt	\$320,650.00
Accrued Interest	\$1,422,231.91
<b>Total</b>	<b>\$19,005,102.01</b>

**c. Secured Obligations**

32. Felix's primary secured creditors can be categorized in two groups: (i) the first lien lenders—Mr. Boxer and Mr. Mordy and their associated entities, which include Brookridge Chartered Professional Accounts Inc ("**Brookridge**"), the Mordy Trust, Candice Rose Mordy, Ralph McFee, Kapil Nanalal, and Section 3 Ventures (VCC) Inc. (collectively, the "**First Lien Lenders**"); and (ii) the second lien lenders—Mr. Steve Hall and his associated entities, which include SR Hall Management LLC ("**SR Hall**"), BBSG Hall Investments, LLC ("**BBSG**"), Ripcord Capital LLC ("**Ripcord**"), and DapIt NA, LLC ("**DapIt**", together with SR Hall, BBSG, and Ripcord, the "**Second Lien Lenders**").

33. The First Lien Lenders and the Second Lien Lenders have each registered a security interest in Felix's present and after-acquired personal property. A copy of the British Columbia

Personal Property Registry Search (the “**PPR Search**”) for Felix is attached hereto as **Exhibit “D”**. According to the PPR Search, the First Lien Lenders registered their security interest in January and February 2024 and the Second Lien Lenders registered their security interest in August 2024. As discussed in more detail below, the First Lien Lenders have security agreements securing their interest. Felix has no record of and has been unable to locate any similar agreement with the Second Lien Lenders that grants a security in all present and after acquired property, but expects to address those (and their scope) as part of a claims process.

i. First Lien Lenders

34. As of November 15, 2024, the books and records indicate that Mr. Boxer is owed approximately \$2.3 million (this likely does not account for all interest and fees) pursuant to the following documents:

- (a) Demand Promissory Note dated June 25, 2021 for \$150,000 attached hereto as **Exhibit “E”**;
- (b) Demand Promissory Note dated November 25, 2022 for \$500,000 attached hereto as **Exhibit “F”**;
- (c) Demand Promissory Note dated December 29, 2022 for \$300,000 attached hereto as **Exhibit “G”**;
- (d) Demand Promissory Note dated February 7, 2023 for \$250,000 attached hereto as **Exhibit “H”**;
- (e) Secured Promissory Note dated February 10, 2024 for \$60,000 attached hereto as **Exhibit “I”**;
- (f) Secured Promissory Note dated February 28, 2024 for \$66,000 attached hereto as **Exhibit “J”**;
- (g) Secured Promissory Note dated March 14, 2024 for \$60,000 attached hereto as **Exhibit “K”**; and
- (h) Amended and Restated Demand Loan Agreement between Mr. Boxer, as lender, and Felix, as borrower, dated March 27, 2024 attached hereto as **Exhibit “L”** (the “**Boxer Loan and Security Agreement**”), which indicated that, as of the date of

the agreement, Mr. Boxer was owed \$1,386,000 in principal amounts and \$278,062.81 in interest pursuant to the series of promissory notes issued from time to time by Mr. Boxer to Felix. Pursuant to the Boxer Loan and Security Agreement, Mr. Boxer advanced a further \$30,000 and authorized Felix to request subsequent advances in accordance with the grid set out in Schedule A to the agreement.

35. Mr. Boxer's claims are secured by:

- (a) the Boxer Loan and Security Agreement, which secures all past and future indebtedness of Felix to Mr. Boxer; and
- (b) a General Security Agreement, between Mr. Boxer, as the secured party, and Felix, as grantor, dated February 10, 2024 and attached hereto as **Exhibit "M"**.

36. As of November 15, 2024, the books and records indicate that Mr. Mordy and the Mordy Trust are collectively owed approximately \$639,000 (this likely does not account for all interest and fees) pursuant to the following documents:

- (a) Demand Promissory Note to Mordy Trust dated August 6, 2021 for \$200,000 attached hereto as **Exhibit "N"**;
- (b) Demand Promissory Note to Mordy Trust dated January 10, 2023 for \$200,000 attached hereto as **Exhibit "O"**;
- (c) Demand Promissory Note to Mordy Trust dated February 6, 2023 for \$100,000 attached hereto as **Exhibit "P"**;
- (d) Demand Promissory Note to Mordy Trust dated February 9, 2023 for \$75,000 attached hereto as **Exhibit "Q"**;
- (e) Secured Promissory Note to Mordy Trust dated February 10, 2024 for \$30,000 attached hereto as **Exhibit "R"**;
- (f) Secured Promissory Note to Mordy Trust dated February 28, 2024 for \$31,000 attached hereto as **Exhibit "S"**;



- (g) Secured Demand Promissory Note to Mordy Trust dated March 14, 2024 for \$30,000 attached hereto as **Exhibit "T"**; and
- (h) Amended and Restated Demand Loan Agreement between Mordy Trust, as lender, and Felix, as borrower, dated March 27, 2024 attached hereto as **Exhibit "U"** (the "**Mordy Loan and Security Agreement**") which amends the Demand Loan Agreement between Doug Mordy, Candice Rose Mordy, Ralph Kurt McFee, Section 3 Ventures (VCC) Inc., and Kapil Nanalal, as lenders, and Felix as borrower, dated March 27, 2024, attached hereto as **Exhibit "V"**. The Mordy Loan and Security Agreement indicated that, as of the date of the agreement, the Mordy Trust was owed \$666,000 in principal amounts and \$158,576.61 in interest pursuant to the series of promissory notes issued from time to time by Mr. Mordy to Felix. Pursuant to the Boxer Loan and Security Agreement, Mr. Boxer advanced a further \$15,000 and authorized Felix to request subsequent advances in accordance with the grid set out in Schedule A to the agreement.

37. Mr. Mordy and the Mordy Trust's claims are secured by:

- (a) the Mordy Loan and Security Agreement, which secures all past and future indebtedness of Felix to the Mordy Trust;
- (b) a General Security Agreement between Doug Mordy, Candice Rose Mordy, Ralph Kurt McFee, Section 3 Ventures (VCC) Inc., and Kapil Nanalal, as lenders, and Felix as borrower, dated March 27, 2024, attached hereto as **Exhibit "W"**; and
- (c) a General Security Agreement between the Mordy Trust, as the secured party, and Felix, as grantor, dated February 10, 2024, attached hereto as **Exhibit "X"**.

38. As of November 15, 2024, the books and records indicate that Brookridge is owed approximately \$314,000 (this likely does not account for all interest and fees) pursuant to the following documents:

- (a) Demand Promissory Note to Brookridge dated October 7, 2022 for \$200,000 attached hereto as **Exhibit "Y"**;
- (b) Secured Promissory Note to Brookridge dated February 10, 2024 for \$10,000 attached hereto as **Exhibit "Z"**;

- (c) Secured Promissory Note to Brookridge dated February 28, 2024 for \$13,000 attached hereto as **Exhibit "AA"**;
- (d) Secured Demand Promissory Note to Brookridge dated March 14, 2024 for \$10,000 attached hereto as **Exhibit "BB"**; and
- (e) Amended and Restated Demand Loan Agreement between Brookridge, as lender, and Felix, as borrower, dated March 27, 2024 attached hereto as **Exhibit "CC"** (the "**Brookridge Loan and Security Agreement**"), which indicated that, as of March 27, 2024, Brookridge was owed \$233,000 in principal amounts and \$46,649.59 in interest. Pursuant to the Brookridge Loan and Security Agreement, Brookridge also advanced \$5,000 and authorized Felix to request subsequent advances in accordance with the grid set out in Schedule A to the agreement.

39. Brookridge's claims are secured by:

- (a) the Brookridge Loan and Security Agreement, which secures all past and future indebtedness of Felix to Brookridge; and
- (b) a General Security Agreement between Brookridge, as the secured party, and Felix, as grantor, dated February 10, 2024, attached hereto as **Exhibit "DD"**.

40. Mr. Boxer, Brookridge, and the Mordy Trust negotiated a forbearance with Felix, which was confirmed in correspondence from those parties to Felix dated February 9, 2024. Attached hereto as **Exhibit "EE"** is a true copy of the correspondence.

ii. Second Lien Lenders

41. As of November 15, 2024, the books and records indicate that Mr. Steve Hall, SR Hall, and Daplt are collectively owed approximately US\$920,000 (CA\$1,253,346.41) (this likely does not account for all interest and fees) pursuant to the following documents:

- (a) Demand Loan Agreement and associated Secured Promissory Note dated February 14, 2024 for US\$140,000 attached hereto as **Exhibit "FF"**;
- (b) Demand Loan Agreement and associated Secured Promissory Note dated February 27, 2024 for US\$80,000 attached hereto as **Exhibit "GG"**;

- (c) Demand Loan Agreement and associated Secured Promissory Note dated March 13, 2024 for US\$70,000 attached hereto as **Exhibit “HH”**;
- (d) Demand Loan Agreement and associated Secured Promissory Note dated April 8, 2024 for US\$55,000 attached hereto as **Exhibit “II”**;
- (e) Demand Loan Agreement and associated Secured Promissory Note dated April 10, 2024 for US\$135,000 attached hereto as **Exhibit “JJ”**;
- (f) Demand Loan Agreement and associated Secured Promissory Note dated April 26, 2024 for US\$185,000 attached hereto as **Exhibit “KK”**;
- (g) Demand Loan Agreement and associated Secured Promissory Note dated May 13, 2024 for US\$145,000 attached hereto as **Exhibit “LL”**; and
- (h) Demand Loan Agreement and associated Secured Promissory Note dated August 14, 2024 for US\$110,000 attached hereto as **Exhibit “MM”**.

42. While the above documents indicate that they are secured by a security agreement, based on my review of the books and records of Felix, I have only been able to locate a security agreement attached as Schedule A to each of the Demand Loan Agreements, listed in paragraph 41 above, which grants the applicable lender a security interest in the T661 Scientific Research and Experimental Development expenditures claims claimed by Felix from 2023 onward. I have not seen any further documentation evidencing a further security interest being granted to Mr. Hall, SR Hall and Daplt, notwithstanding the registration of a broader interest in August 2024 listed in the PPR Search.

43. I understand that the amount of the Second Lien Lender's claim (including other amounts that are claimed to be secured), and the extent and priority of such security is likely to be contested and will require a claims process to resolve.

iii. RBC

44. Felix holds a guaranteed investment certificate (“**GIC**”) for \$20,000 with RBC, which has been pledged to secure the obligations of Felix to RBC under its credit card. RBC has registered its interest in the GIC. Felix does not seek to prime the interest of RBC in the GIC, and otherwise seeks to have RBC unaffected in these proceedings. The RBC credit card is used by Felix to conduct its day-to-day business, and are necessary for ongoing operations.



d. **Unsecured Obligations**

45. As of November 15, 2024, Felix has approximately 52 unsecured creditors, with claims totalling approximately \$17.1 million.

46. Felix's unsecured creditors can largely be summarized into three groups by jurisdiction:

- (a) Unsecured creditors based in Georgia consist of Mr. Steve Hall, BBSG, and Ripcord;
- (b) Unsecured creditors based in New York consist of DapIt and Maxifi; and
- (c) Unsecured creditors based in Ohio consist of the Robert Alpert Group (as defined below).

47. As of November 15, 2024, the books and records of Felix indicate that Mr. Steve Hall is owed approximately \$3.5 million. Mr. Hall is an owner or investor in four other creditors of Felix: Maxifi Holdings LLC ("**Maxifi**"), BBSG, Ripcord, and DapIt (collectively, the "**Steve Hall Group**"). The relationship between Felix and Mr. Hall was exclusively handled by Mr. Newport, and there are several conflicting documents relating to the Steve Hall Group's investments. As of November 15, 2024, the underlying entities of the Steve Hall Group are owed the following amounts:

- (a) BBSG is owed approximately \$2.8 million, as evidenced by:
  - (i) a Loan Agreement and Promissory Note dated October 7, 2021 owing to BBSG Hall Investments LLC in the principal amount of US\$2,000,000 attached hereto as **Exhibit "NN"**;
  - (ii) a Simple Agreement for Future Equity dated November 1, 2021 owing to BBSG Hall Investments LLC in the principal amount of US\$1,000,000 attached hereto as **Exhibit "OO"**; and
  - (iii) a Promissory Note dated May 13, 2022 owing to BBSG Hall Investments LLC in the principal amount of US\$1,220,000 attached hereto as **Exhibit "PP"**.
- (b) Ripcord is owed approximately \$254,000, as evidenced by:

- (i) a Simple Agreement for Future Equity dated November 1, 2021 owing to Ripcord Capital LLC in the principal amount of US\$1,000,000 attached hereto as **Exhibit “QQ”**.
- (c) Maxifi is owed approximately \$310,000, as evidenced by:
  - (i) a Convertible Promissory Note dated September 9, 2021 owing to Maxifi Holdings LLC in the principal amount of US\$180,000 due March 9, 2022 attached hereto as **Exhibit “RR”**.
- (d) DapIt is owed approximately \$2 million.

The exact amount and nature of these claims may need to be addressed in a claims process.

48. Based on my review of the books and records of Felix, as of November 15, 2024, Mr. Robert Alpert and his related entities (the **“Robert Alpert Group”**) have contingent claims against Felix for approximately \$2.9 million and Mr. Alpert is owed approximately US\$1.2 million pursuant to the Convertible Note Purchase Agreement dated February 21, 2021, and as amended, attached hereto as **Exhibit “SS”**.

49. The records indicate that the Robert Alpert Group provided Felix with capital predominantly between September 2020 and February 2021. This was originally recognized as revenue under a commercial agreement between Felix and Mr. Alpert’s company, Onosys. On December 27, 2023, I was advised by Gregory Brown of Dentons LLP that the Robert Alpert Group filed a lawsuit against Felix for breaching his group’s Convertible Promissory Notes. Pursuant to the claim, I learned the details of the alleged original agreement made between Mr. Newport and Mr. Alpert. The claims are set out in:

- (a) the Complaint for Breach of Contract dated November 27, 2023 filed with the Court of Common Pleas of Cuyahoga County, Ohio attached hereto as **Exhibit “TT”**; and
- (b) the Notice of Civil Claim dated August 26, 2024 filed with the Supreme Court of British Columbia, Action No. S-245876 attached hereto as **Exhibit “UU”**.

50. As of November 15, 2024, Mr. Owen Newport claims to be owed approximately \$1.6 million. Mr. Newport is ex-co-founder, co-CEO, and Director at Felix. Mr. Newport advanced funds to support working capital requirements. Felix and Mr. Newport did not formalize these

advances with any documentation, and their nature (debt vs. equity) and any potential defences of Felix need to be addressed in a claims process, should they become relevant.

51. As of November 15, 2024, Mr. Kieran Moloney is owed approximately \$45,000. Mr. Moloney is a founder and Database & Portal Manager at Felix. Mr. Moloney advanced the funds to support working capital requirements in December 2023 and January 2024. Felix and Mr. Moloney did not formalize these advances with any documentation.

52. Based on my review of the books and records of Felix, as of November 15, 2024, Mr. Don Paris, of Flat World Payment Foundry, is owed approximately \$386,000. Mr. Paris provided capital to Felix between September 2020 and June 2023. To the best of my knowledge, Felix and Mr. Paris did not formalize these advances with any documentation and their nature (debt vs. equity) and any potential defences of Felix need to be addressed, if relevant.

53. Based on my review of the books and records of Felix, as of November 15, 2024, New Direction IRA Inc. is owed approximately \$70,000. New Direction IRA Inc. is a self-directed individual retirement account custodian. Felix does not know who authorized the transfer of funds and I have not been able to locate any documentation relating to the amount or lender, and their nature (debt vs. equity) and any potential defences of Felix need to be addressed, if relevant.

54. Based on my review of the books and records of Felix, as of November 15, 2024, Mr. David Martin is owed approximately \$20,000. Mr. Martin is a Vancouver-based businessman introduced to the company around January 2023. Mr. Martin advanced funds to support working capital requirements. I have not been able to locate documents where Felix and Mr. Martin formalized these advances with any documentation and their nature (debt vs. equity) and any potential defences of Felix need to be addressed, if relevant.

55. It is my understanding that Felix may have outstanding amounts owing to the Business Development Bank of Canada. On November 20, 2024, the Proposal Trustee provided Felix a copy of a demand letter it had received from the Business Development Bank of Canada claiming the amount of \$320,667.98. A true copy of that letter is attached hereto as **Exhibit "VV"**. I am investigating the claim and will provide this Court more information at the Comeback Hearing.

**e. Employee Liabilities**

56. Felix is current with respect to the payment of payroll. However, the remittance of employee source deductions is behind in respect of three payrolls in the period of February 1 to

March 15, 2024 in the aggregate amount of approximately \$210,857.18, including fees and interest. The company also has recorded liabilities of \$1,111.09 (Work Safe BC) and \$42,000.00 (Ministry of Finance BC, Employer Health Tax).

57. I understand there may be additional claims related to employment and management matters by:

- (a) Warren Hogg for approximately \$18,750 stemming from the end of his employment and a complaint made to the British Columbia Employment Standards Branch;
- (b) Vincenzo DePalma for approximately \$540,000 and equity shares relating to an alleged management agreement; and
- (c) Gary Evans for approximately \$51,000 relating to an alleged wrongful termination.

Each of these claims is disputed.

**f. Taxes**

58. Felix has always been a pre-profit business and, therefore, has never been required to remit income taxes. As of November 15, 2024, the accounting net operating loss carry-forward of Felix is approximately \$18.7 million.

**g. Rent**

59. Felix is up to date on all rent payments except some amounts outstanding dating back to February 2024 in the amount of \$59,655.48. This amount is owed to the landlord of Felix's previous head office at 1286 Homer St., Vancouver.

**h. Critical Suppliers**

60. Given the nature of its business, Felix relies on a number of vendors and third-party service providers and, as such, is a party to a number of agreements for the provision of certain essential services including, among other things, software security, certification labs, third-party platforms, and other services provided in connection with operating a business in the technology industry. Felix has accrued a significant amount owing to third-party suppliers, totalling approximately \$1,195,049. Any interruption of service from these parties, either because they are

unable to continue to provide their services to Felix or refuse to do so on account of unpaid pre-filing amounts owed to them by Felix, may prevent Felix from operating in the ordinary course and continuing to provide uninterrupted services to its customers.

61. Felix owes an aggregate of approximately \$571,628.50 to six critical suppliers (the **"Critical Suppliers"**):

- (a) RBC is owed approximately \$20,489.31, relating to the continued use of the credit card. As noted above, this amount is secured by the GIC, but it is necessary to pay the existing balance to ensure continued access to the credit cards.
- (b) FIME Inc. is owed approximately \$85,883.99. FIME Inc. is a third-party lab working with Felix to maintain various required certifications. Specifically, FIME handles EMV Level 2 certifications with card brands (including VISA, Mastercard, American Express, and Discover).
- (c) Azure (Microsoft) is owed approximately \$11,225.71. Felix has engaged with Microsoft to use its Azure cloud platform for its production environment. Azure offers key features that will help Felix attain its Mobile Payments on COTS Solutions (**"MPoC"**) certification and better support large-scale deployments that Felix hopes to achieve in 2025.
- (d) Riscure B.V. is owed approximately \$212,632.43. Riscure B.V. is a third-party security lab specializing in professional testing solutions and software to analyze, diagnose, and improve the security of embedded systems. The security services provided by Riscure meet the requirements under PCI SSC's MPoC security standard, which few security labs are accredited to provide. Felix has completed approximately 80% of the requirements for certification of its Android SDK solution. The remaining 20% will be conducted during Q4 2024 and Q1 2025. Very few companies have been able to achieve this certification and, to optimize the value of its assets through the CCAA Proceeding, it is crucial that Felix completes its work with Riscure and achieves its certification.
- (e) QT Company is owed approximately \$9,977.89. QT Company provides a third-party product that helps deploy Felix's solution across different operating systems and therefore is critical to maintaining key commercial opportunities in Android, Windows, and Linux environments.



- (f) Zimperium is owed approximately \$177,419.17. Zimperium provides software security products for mobile platforms that help protect data and systems from external threats. Two of Zimperium's products are now core components of Felix's product and are included as part of Felix's security reviews.

62. Without the continued provision of services by the Critical Suppliers, Felix's assets, business and value would be at material risk. It is necessary to ensure these parties continue to advance Felix's technology to ensure continued value.

## **V. LIQUIDITY ISSUES AND NEED FOR CREDITOR PROTECTION**

63. Companies operating payment processing technology are highly regulated. Therefore, Felix requires a number of certifications to operate its product. Felix is in the start-up phase and is still in the process of achieving these certifications, as discussed above. Those certifications are time and resource intensive and have been the largest financial burden on Felix since its incorporation. Certifications require companies to, among other things:

- (a) contract with an accredited laboratory to test their product;
- (b) develop software that is compliant with the applicable standards, including strenuous security standards, that integrate payment software and protection components; and
- (c) submit the product to the laboratory for evaluation, which will evaluate the technology's policies and procedures, inspect the technology for compliance, and assess the product's security features.

64. Certifications are particularly important to win large contracts with key customers, including financial institutions and sophisticated large-scale retailers. Therefore, Felix has invested significant capital in obtaining a number of these certifications. These certifications are key to the growth and commercialization of Felix's business.

65. Given the significant costs, but remaining obstacles to profitability, Felix is experiencing a liquidity crisis because funding has stopped except through DIP financing. The records of Felix are incomplete, and there is a dispute among the investors and Felix regarding the amount, nature and security of those debts. The liquidity crisis has reached a critical juncture in the last fiscal year, despite a number of actions taken by management in an effort to reduce Felix's

ongoing obligations and to obtain sufficient liquidity to support its short-term needs. Felix has incurred recurring losses and negative cash flows from operations. The liquidity crisis has been exacerbated by concerns around actions by certain of Felix's creditors and related parties (discussed below).

66. Felix's liquidity concerns crystalized on September 16, 2024, when Felix received a demand letter and accompanying notice of intention to enforce security pursuant to s. 244 of the BIA from the Second Lien Lenders. The letter demanded immediate repayment of the US\$11,619,903 (CA\$15,790,829) claimed to be owing as of August 31, 2024, pursuant to the Second Lien Lenders' secured loans. This demand initiated Felix's commencement of the NOI Proceeding. As noted, the amount of the debt and the security of the Second Lien Lenders is contested and will likely require a claims process to resolve. A copy of the demand letter dated September 16, 2024 is attached hereto as **Exhibit "WW"**.

67. Felix filed the NOI to provide it with breathing room and expanded protections necessary to organize its financial affairs and develop a plan for the continuation of the business as a going concern. Since the NOI Filing Date, Felix has acted in good faith and made diligent efforts to improve its liquidity position, stabilize its operations, and pursue a going-concern solution for the company. These efforts have included, among others, the negotiation of additional financing, entering discussions with critical suppliers to avoid disruption to their services, and engaging with its key stakeholders.

68. In the lead up to the commencement of the CCAA Proceeding, Felix has engaged with a number of its key stakeholders, including the DIP Lender and some trade creditors, regarding Felix's proposed restructuring plan. I understand that the DIP Lender is supportive of Felix's restructuring plan. In the event that the Initial Order is granted, Felix intends to continue its engagement with stakeholders in advance of the hearing seeking an Amended and Restated Initial Order, with the goal of further refining its restructuring plan in a manner that addresses, to the extent possible in the circumstances, any concerns regarding the proposed path forward.

## **VI. RESTRUCTURING PLAN WITHIN THE CCAA**

69. Since commencing the NOI Proceeding, Felix has worked with the Proposal Trustee to develop a restructuring plan to address the company's liquidity concerns. Felix and the Proposal Trustee agree that the best path forward to effectuate the restructuring is to continue the NOI Proceeding as a proceeding under the CCAA.

70. The protections afforded under the CCAA would facilitate Felix's ability to conduct the SISP, and to commence a claim process in a bespoke manner to allow the valuation of claims as relevant. Given the various claims asserted by the creditors noted above, and the questions regarding the validity, priority, and nature of certain of those claims, a claims process will be required. However, not all creditors' interests need to be confirmed until the value of the business is known.

71. Felix is also investigating prospective claims against some of its creditors and other people associated with those creditors and intends to pursue those claims within the proposed CCAA Proceeding, where they can be litigated in an expeditious manner in order to maximize value and minimize the time involved.

72. The prospective claims being investigated are anticipated to be material to the value of the going concern value of Felix. Moreover, the prospective claims involve documentation allegedly signed on behalf of the company and, as a result, the company needs additional time to review all documents before returning to this Court with a more comprehensive review of Felix's prospective claims.

73. As noted, Felix's business value is as a going-concern. Its people are key to it retaining its value. Accordingly, Felix anticipates seeking approval of a key employee retention plan should CCAA protection be granted.

## **VII. THE PROPOSED INTERIM FINANCING**

74. On November 21, 2024, Felix entered into a binding commitment letter in respect of the DIP Facility (the "**DIP Agreement**") with Felix as borrower (in such capacity, the "**Borrower**") and the DIP Lender as lenders. A copy of the DIP Agreement is attached hereto as **Exhibit "XX"**.

75. The DIP Agreement provides for a super-priority, non-revolving credit facility of up to \$2.1 million.

76. The amounts drawn and outstanding under the DIP Facility will bear interest at 18%, with interest on the principal amount outstanding accruing on the first business day of each month.

77. The DIP Facility includes a commitment fee of \$30,000, which shall be earned and payable in two phases:

- (a) \$7,000 is earned upon the execution of the DIP Agreement; and

- (b) \$23,000 is earned upon the granting of the Amended and Restated Initial Order.

78. The DIP Facility is conditional, among other things, upon the granting of a priority charge over the property in favour of the DIP Lender to secure the amounts borrowed under the DIP Facility (the “**DIP Lender’s Charge**”).

79. In accordance with the DIP Agreement, the DIP Facility is to be used during the CCAA Proceeding to fund:

- (a) operating expenses in accordance with the Cash Flow Forecast (as defined below);
- (b) fees and expenses associated with the DIP Facility (including without limitation certain expenses, fees of the Monitor (as defined below), and legal fees of counsel to the DIP Lender, Felix and the Monitor); and
- (c) such other costs and expenses as agreed to by the DIP Lender, in writing.

80. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by Felix to the DIP Lender. The DIP Facility must be repaid in full by the date that is the earlier of:

- (a) February 28, 2025, or such other date as may be agreed to by the DIP Lender and the Borrower;
- (b) the effective date of any Plan (as defined in the DIP Agreement);
- (c) the early termination of the DIP Facility in accordance with the terms of the DIP Agreement upon the occurrence and continuation of an Event of Default (as defined in the DIP Agreement);
- (d) the closing of the purchase and sale of all or substantially all of the assets or shares of the Borrower; and
- (e) the termination, expiration, or conversion of the CCAA Proceeding.

81. The amount of the DIP Facility to be funded during the initial Stay of Proceedings (up to a principal amount of \$400,000) is only that portion that is necessary to ensure the continued operation of Felix’s business in the ordinary course during the initial ten (10) days.

## VIII. RELIEF SOUGHT AT THE INITIAL HEARING

### a. Stay of Proceedings

82. Felix requires the continuation of a broad stay of proceedings to prevent enforcement action by certain contractual counterparties and to provide Felix with breathing space while it attempts to effect a restructuring, all the while permitting its business to continue to operate as a going concern. Therefore, Felix is seeking an initial stay of proceedings until December 5, 2024 (the “**Stay of Proceedings**”).

83. Felix is concerned about its failure to meet certain obligations as they become due. As noted above, Felix is already behind on payments to certain third-party suppliers and other counterparties.

84. Felix understands that the proposed DIP Lender is not prepared to extend further credit outside the protection of the CCAA. It is in the interest of all stakeholders for Felix to undertake a coordinated restructuring under the CCAA to protect and maximize value for stakeholders and avoid a bankruptcy. Absent the Stay of Proceedings (and associated financing), Felix will not be able to continue to operate its business and will be forced to initiate an abrupt disorderly shutdown and bankruptcy.

85. In light of the foregoing, the Stay of Proceedings is in the best interests of Felix and its stakeholders. I understand that the proposed Monitor (and current Proposal Trustee) believes that the Stay of Proceedings is appropriate in the circumstances.

### b. Monitor

86. The proposed Initial Order contemplates that A&M will act as the Monitor (in such capacity, the “**Monitor**”) in the CCAA Proceeding. A&M is the existing Proposal Trustee, and I understand that A&M has consented to act as the Monitor of Felix in the CCAA Proceeding if the proposed Initial Order is granted. A copy of A&M’s consent to act as the Monitor is attached hereto as **Exhibit “YY”**. A&M (and its principals) are not directors, officers, or employees of Felix, are not, to my knowledge, related to Felix or any director or officer of Felix, and have never been the auditors, accountants, or legal counsel to Felix.



c. **Ability to Pay Certain Pre-Filing Amounts**

87. Pursuant to the proposed Initial Order, Felix is seeking authorization (but not the obligation) to pay, among other things:

- (a) all outstanding and future wages, salaries, employee benefits, vacation pay, and employee expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to Felix prior to the date of the Initial Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the business and ongoing operations of Felix and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect, or enhance the value of the business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to Felix after the date of the Initial Order, including pursuant to the terms of the Initial Order; and
- (c) the fees and disbursements of any professionals retained or employed by Felix in respect of the CCAA Proceeding, at their standard rates and charges.

88. I believe this relief is necessary to maintain ordinary course operations, particularly given the highly regulated nature of Felix's business. Felix's ability to operate its business in the normal course is dependent on its ability to obtain an uninterrupted supply of certain goods and services.

89. I understand that the Monitor and the DIP Lender are supportive of this relief.

d. **Administrative Charge**

90. The Initial Order provides for a court-ordered charge in favour of the Monitor, as well as counsel to the Monitor and Felix, over Felix's property, to secure payment of their respective fees and disbursements incurred in connection with services rendered in respect of Felix up to a maximum amount of \$150,000 (the "**Administration Charge**"). The Administration Charge is proposed to rank ahead of and have priority over all of the other Charges.

91. Felix requires the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceeding in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in Felix's restructuring.

92. Felix and the Monitor worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the limited retainers the professionals currently have and their material outstanding fees. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Monitor is also of the view that the Administration Charge is fair and reasonable in the circumstances, and that the proposed DIP Lender supports the Administration Charge.

93. Felix intends to seek an increase to the Administration Charge to \$250,000 at the hearing prior to the expiry of the Stay of Proceedings (the "**Comeback Hearing**").

e. **Directors' Charge**

94. It is my understanding that Felix's present and former directors and officers (the "**Directors and Officers**") are not currently insured under any liability insurance policies as all applicable policies expired in October 2024.

95. Given the risks related to the CCAA Proceeding and the uncertainty surrounding available indemnities and insurance, I am informed by Peter Smyrniotis and Aneil Manhas (the directors of Felix), as well as my own personal knowledge, that the current Directors and Officers' involvement in the CCAA Proceeding is conditional upon the granting of a priority charge in favour of the Directors and Officers in the amount of \$150,000 (the "**Directors' Charge**") to cover any obligations incurred by the Directors' and Officers' in their capacity as directors and officers in these proceedings, to the extent the same are not covered by insurance.

96. Felix requires the involvement of the Directors and Officers in order to continue business operations in the ordinary course. The proposed Initial Order contemplates that the Directors' Charge will rank subordinate to Administration Charge and the DIP Lender's Charge.

97. Felix believes that the Directors' Charge is reasonable in the circumstances. I understand that the Monitor and the DIP Lender are supportive of the Directors' Charge and its quantum.

98. Felix intends to seek an increase to the Directors' Charge at the Comeback Hearing to be commensurate with the exposure of the Directors and Officers to potential liabilities during an extended stay period.

f. **DIP Lender's Charge**

99. The DIP Agreement provides, among other things, that the DIP Facility is contingent on the granting of the DIP Lender's Charge subordinate to the Administration Charge, but in priority to all other claims (except for RBC in relation to the GIC).

100. Pursuant to the proposed Initial Order, the DIP Lender's Charge will secure all of the funds advanced under the DIP Facility. The DIP Lender's Charge will not secure obligations incurred prior to the CCAA Proceeding.

101. The amount to be funded under the DIP Facility during the initial Stay of Proceedings is limited to the amount necessary to ensure the continued operations of Felix's business. Correspondingly, the DIP Lender's Charge under the proposed Initial Order is limited to the amount to be funded during the initial Stay of Proceedings. Felix intends to seek an increase to the DIP Lender's Charge at the Comeback Hearing to the full principal amount available under the DIP Facility.

**IX. CASH FLOW FORECAST**

102. With the assistance of the Monitor, Felix has undertaken a cash flow analysis to determine the quantum of funding required to finance their operations, assuming the Initial Order is granted, over the 15-week period through to the week ending March 2, 2025 (the "**Cash Flow Forecast**"). The Cash Flow Forecast is attached hereto as **Exhibit "ZZ"**.

103. The Cash Flow Forecast indicates that Felix urgently requires DIP financing to ensure that it has the liquidity required to meet its obligations and continue its business operations during the Stay of Proceedings. However, with the DIP Facility in place, Felix will have sufficient liquidity to meet its obligations during the Stay Period.

**X. CONCLUSION**

104. I believe that the proposed Initial Order is in the best interests of Felix and its stakeholders. The Stay of Proceedings and the DIP Facility will allow Felix to continue ordinary course operations with the breathing space and stability necessary to develop and implement its

restructuring. Absent the Stay of Proceedings and approval of the DIP Facility, Felix will be unable to meet its obligations as they become due, which would be detrimental to the value of its business, and in turn, the interests of its stakeholders. I believe Felix has, and continues to, work in good faith and with due diligence.

105. In the circumstances, I believe that the CCAA Proceeding is the only viable means of restructuring Felix's business for the benefit of its stakeholders and that the relief sought in the Initial Order is limited to what is reasonably necessary to stabilize the business in the initial ten day period.

SWORN BEFORE ME at Vancouver,  
British Columbia, this 21<sup>st</sup> day of  
November, 2024.

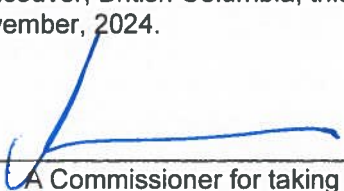
A Commissioner for taking Affidavits for  
British Columbia

Carl

**ANDREW COLE**

**ASHLEY BOWRON**  
Barrister & Solicitor  
**McCarthy Tétrault LLP**  
SUITE 2400 - 745 THURLOW STREET  
VANCOUVER, B.C. V6E 0C5  
604-643-7973

This is **Exhibit "A"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia





BC Registry  
Services

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
www.corporateonline.gov.bc.ca

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

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## BC Company Summary

For  
**FELIX PAYMENT SYSTEMS LTD.**

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**Date and Time of Search:** November 18, 2024 12:10 PM Pacific Time  
**Currency Date:** July 24, 2024

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### ACTIVE

**Incorporation Number:** BC1244064  
**Name of Company:** FELIX PAYMENT SYSTEMS LTD.  
**Business Number:** 741704332 BC0001  
**Recognition Date and Time:** Incorporated on March 11, 2020 03:28 PM Pacific Time **In Liquidation:** No  
**Last Annual Report Filed:** March 11, 2024 **Receiver:** No

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### REGISTERED OFFICE INFORMATION

<b>Mailing Address:</b> 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	<b>Delivery Address:</b> 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
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### RECORDS OFFICE INFORMATION

<b>Mailing Address:</b> 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA	<b>Delivery Address:</b> 20TH FLOOR, 250 HOWE STREET VANCOUVER BC V6C 3R8 CANADA
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### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Fluery Bertrand, Kim

<b>Mailing Address:</b> 6894 COPPER COVE ROAD VANCOUVER BC V7W 2K5 CANADA	<b>Delivery Address:</b> 6894 COPPER COVE ROAD VANCOUVER BC V7W 2K5 CANADA
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**Last Name, First Name, Middle Name:**

Hogg, Warren

**Mailing Address:**604-1661 DAVIE STREET  
VANCOUVER BC V6G 0E1  
CANADA**Delivery Address:**604-1661 DAVIE STREET  
VANCOUVER BC V6G 0E1  
CANADA**Last Name, First Name, Middle Name:**

Newport, Owen

**Mailing Address:**6894 COPPER COVE ROAD  
VANCOUVER BC V7W 2K5  
CANADA**Delivery Address:**6894 COPPER COVE ROAD  
VANCOUVER BC V7W 2K5  
CANADA

---

**OFFICER INFORMATION AS AT March 11, 2024****Last Name, First Name, Middle Name:**

Cole, Andrew

**Office(s) Held:** (CFO)**Mailing Address:**1305 - 1111 RICHARDS ST  
VANCOUVER BC V6B 3E1  
CANADA**Delivery Address:**1305 - 1111 RICHARDS ST  
VANCOUVER BC V6B 3E1  
CANADA**Last Name, First Name, Middle Name:**

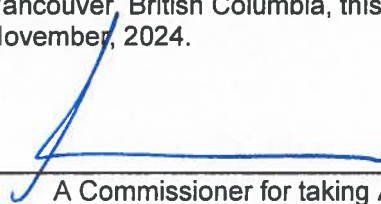
Hogg, Warren

**Office(s) Held:** (Other Office(s))**Mailing Address:**604 - 1661 DAVIE ST.  
VANCOUVER BC V6G 0E1  
CANADA**Delivery Address:**604 - 1661 DAVIE ST.  
VANCOUVER BC V6G 0E1  
CANADA**Last Name, First Name, Middle Name:**

Smith, Ross

**Office(s) Held:** (Other Office(s))**Mailing Address:**1801 - 1199 SEYMOUR STREET  
VANCOUVER BC V6B 1K3  
CANADA**Delivery Address:**1801 - 1199 SEYMOUR STREET  
VANCOUVER BC V6B 1K3  
CANADA

This is **Exhibit "B"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars [Cancel details]
Mar 11, 2020	Mar 11, 2020	Robert A. Goodrich 20th Floor, 250 Howe Street, Vancouver British Columbia V6C 3R8 Canada	1	Incorporation starting balance (1)		Not Issued	Cash	\$1.00	[1 Repurchase by Company]
Mar 11, 2020		Kim Fleury Bertrand 6894 Copper Cove Road, Vancouver BC V7W 2K5 Canada	90,000	Allotment (90,000)		1C	Cash	\$0.000 1	
Mar 11, 2020		Cryptonomicom PTY Ltd.	30,000	Allotment (30,000)		2C	Cash	\$0.000 1	
Mar 11, 2020		Jay Donovan	90,000	Allotment (90,000)		3C	Cash	\$0.000 1	
Mar 11, 2020		Oliver Ransford	90,000	Allotment (90,000)		4C	Cash	\$0.000 1	

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars [Cancel details]
Mar 11, 2020		Rankin Tech PTY Ltd.	90,000	Allotment (90,000)		5C	Cash	\$0.000 1	
Mar 11, 2020		Noah Fitzgerald Unit 605, 405 North Ocean Drive, Pompano Beach Florida 33062 USA	25,000	Allotment (25,000)		6C	Cash	\$0.000 1	
Mar 11, 2020		Transaction Data USA Inc.	25,000	Allotment (25,000)		7C	Cash	\$0.000 1	
Mar 11, 2020	Dec 10, 2020	Gentek Resourcing Pty Ltd.	510,000	Allotment (510,000)		8C	Cash	\$0.000 1	[267,500 Transfer to Owen Newport (SC#35C)] [242,500 Transfer to Warren Hogg (SC#36C)]
Mar 11, 2020	Dec 10, 2020	Gentek Investment PTY Ltd.	20,000	Allotment (20,000)		9C	Cash	\$0.000 1	[20,000 Transfer to Owen Newport (SC#39C)]



CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars [Cancel details]
Mar 11, 2020		Steve Sayers	20,000	Allotment (20,000)		10C	Cash	\$0.000 1	
Mar 12, 2020		Kim Fleury Bertrand 6894 Copper Cove Road, Vancouver BC V7W 2K5 Canada	20,000	Allotment (20,000)		11C	Cash		
Mar 12, 2020		Cryptonomicom PTY Ltd.	30,000	Allotment (30,000)		12C	Cash		
Mar 12, 2020		Jay Donovan	100,000	Allotment (100,000)		13C	Cash		
Mar 12, 2020		Oliver Ransford	100,000	Allotment (100,000)		14C	Cash		
Mar 12, 2020		Rankin Tech PTY Ltd.	100,000	Allotment (100,000)		15C	Cash		
Mar 12, 2020		Noah Fitzgerald	25,000	Allotment		16C	Cash		

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars [Cancel details]
		Unit 605, 405 North Ocean Drive, Pompano Beach Florida 33062 USA		(25,000)					
Mar 12, 2020		Transaction Data USA Inc.	25,000	Allotment (25,000)		17C	Cash		
Mar 12, 2020	Dec 10, 2020	Gentek Resourcing Pty Ltd.	560,000	Allotment (560,000)		18C	Cash		[25,000 Transfer to Warren Hogg (SC#36C)] [267,500 Transfer to Kieran Moloney (SC#37C)] [267,500 Transfer to Sean Dennis (SC#38C)]
Mar 12, 2020	Dec 10, 2020	Gentek Investment PTY Ltd.	20,000	Allotment (20,000)		19C	Cash		[20,000 Transfer to Warren Hogg (SC#40C)]
Mar 12, 2020		Steve Sayers	20,000	Allotment (20,000)		20C	Cash		

# CENTRAL SECURITIES REGISTER

## FELIX PAYMENT SYSTEMS LTD.

### Common Shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars [Cancel details]
Mar 25, 2020	Mar 25, 2020	Jake Boxer	242,261	Allotment (242,261)		21C	Cash	\$2.06	[242,261 Recalled Issued in Error by Company]
Mar 25, 2020		Kimberly M. Moore	17,304	Allotment (17,304)		22C	Cash	\$4.33	
Mar 25, 2020		Cynthia M Sheppard & John G Sheppard Jr Living Trust	11,536	Allotment (11,536)		23C	Cash	\$4.33	
Mar 25, 2020		Mineral Royalties Online Pty Ltd.	46,145	Allotment (46,145)		24C	Cash	\$2.16	
Apr 2, 2020		Doug Mordy	4,854	Allotment (4,854)		25C	Cash	\$2.06	
Apr 2, 2020		Jake Boxer	7,281	Allotment (7,281)		26C	Cash	\$2.06	

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars [Cancel details]
May 13, 2020		Doug Mordy	46,771	Allotment (46,771)		27C	Cash	\$1.93	
May 13, 2020		Jake Boxer	70,156	Allotment (70,156)		28C	Cash	\$1.93	
Jul 15, 2020		Doug Mordy	51,625	Allotment (51,625)		29C	Cash	\$1.93	
Jul 15, 2020		Jake Boxer	77,437	Allotment (77,437)		30C	Cash	\$1.93	
Dec 1, 2020		Napil Nalalal	14,535	Issuance (14,535)		31C	Cash	\$3.44	
Dec 1, 2020		Ralph Kurt McFee	14,535	Issuance (14,535)		32C	Cash	\$3.44	
Dec 1, 2020		Brookridge Chartered Professional	17,442	Issuance (17,442)		33C	Cash	\$3.44	

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars [Cancel details]
		Accountants Inc.							
Dec 1, 2020		Jake Boxer	69,768	Issuance (69,768)		34C	Cash	\$3.44	
Dec 10, 2020		Owen Newport	267,500	Transfer (267,500)	Gentek Resourcing Pty Ltd. (SC#8C)	35C	Cash		
Dec 10, 2020		Warren Hogg	267,500	Transfer (242,500) Transfer (25,000)	Gentek Resourcing Pty Ltd. (SC#8C) Gentek Resourcing Pty Ltd. (SC#18C)	36C	Cash Cash	\$0.00	
Dec 10, 2020		Kieran Moloney	267,500	Transfer (267,500)	Gentek Resourcing Pty Ltd. (SC#18C)	37C	Cash		
Dec 10, 2020		Sean Dennis	267,500	Transfer (267,500)	Gentek Resourcing Pty Ltd. (SC#18C)	38C	Cash		



CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars [Cancel details]
					Ltd. (SC#18C)				
Dec 10, 2020		Owen Newport	20,000	Transfer (20,000)	Gentek Investment PTY Ltd. (SC#9C)	39C	Cash		
Dec 10, 2020		Warren Hogg	20,000	Transfer (20,000)	Gentek Investment PTY Ltd. (SC#19C)	40C	Cash		
May 31, 2021		Jake Boxer	101,744	Issuance (101,744)		41C	Cash	\$3.44	
May 31, 2021		Candice Mordy	65,406	Issuance (65,406)		42C	Cash	\$3.44	
Jul 13, 2021		Jake Boxer	52,326	Issuance (52,326)		43C	Cash	\$3.44	
Jul 23, 2021		Candice Mordy	50,872	Issuance (50,872)		44C	Cash	\$3.44	

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Other Than Cash Particulars [Cancel details]
Mar 29, 2022		Jake Boxer	194,396	Issuance (194,396)		45C	Cash	\$3.44	
Mar 29, 2022		Candice Mordy	57,893	Issuance (57,893)		46C	Cash	\$3.44	
Mar 29, 2022		Section 3 Ventures (VCC) Inc.	58,140	Issuance (58,140)		47C	Cash	\$3.44	
Apr 2, 2023		Andrew Cole 1305 - 1111 Richards St, Vancouver BC V6B 3E1 Canada	75,504	Issuance (75,504)		48C	Cash	\$0.01	
Apr 2, 2023		Ross Smith 1801 - 1199 Seymour Street, Vancouver BC V6B 1K3 Canada	75,504	Issuance (75,504)		49C	Cash	\$0.01	

CENTRAL SECURITIES REGISTER									
FELIX PAYMENT SYSTEMS LTD.									
Common Shares without par value									
Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Cash	Paid Per Share Other Than Cash Particulars [Cancel details]
Total issued:							3,171,174		

This is **Exhibit "C"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line.

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A Commissioner for taking Affidavits  
for British Columbia

# Non-consolidated Balance Sheet

Felix Payment Systems Ltd.

As at 30 September 2024

30 SEP 2024

## Assets

### Current Assets

Cash and Cash Equivalents	19,063.88
Investments	20,000.00
Accounts Receivable	189,939.76
Investment tax credits receivable	25,281.58
Prepaid Expenses	353,449.15
<b>Total Current Assets</b>	<b>607,734.37</b>

### Non-current Assets

Equipment	36,807.20
Other Assets	1,504.91
Investment in subsidiary	1.00
Related Party	7,243.57
<b>Total Non-current Assets</b>	<b>45,556.68</b>

**Total Assets** **653,291.05**

## Liabilities

### Current Liabilities

Accounts payable and accrue liabilities	1,316,020.10
Wages Payable	56,947.10
Deferred revenue	406,445.72
Due to shareholders	4,093,605.34
<b>Total Current Liabilities</b>	<b>5,873,018.26</b>

### Non-current Liabilities

Non-related party debt	11,389,201.84
Long Term Debt	320,650.00
Accrue interest	1,422,231.91
<b>Total Non-current Liabilities</b>	<b>13,132,083.75</b>

**Total Liabilities** **19,005,102.01**

**Net Assets** **(18,351,810.96)**

## Equity

Share Capital	3,724,301.37
Shareholder's deficit	(22,076,112.33)
<b>Total Equity</b>	<b>(18,351,810.96)</b>



● Exchange rates used to convert foreign currency into CAD are shown below. Rates are provided by XE.com unless otherwise stated.

• 30 Sep 2024

-  1.06777 AUD (Australian Dollar)
-  0.663802 EUR (Euro)
-  0.739404 USD (United States Dollar)

This is **Exhibit "D"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Business Debtor - "FELIX PAYMENT SYSTEMS LTD."**

**Search Date and Time:** November 18, 2024 at 12:12:40 pm Pacific time  
**Account Name:** MCCARTHY TETRAULT LLP  
**Folio Number:** 232370-593667

**TABLE OF CONTENTS**

6 Matches in 6 Registrations in Report

Exact Matches: 6 (\*)

Total Search Report Pages: 19

	Base Registration	Base Registration Date	Debtor Name	Page
1	<a href="#">355037N</a>	November 8, 2021	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">2</a>
2	<a href="#">527605P</a>	May 10, 2023	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">4</a>
3	<a href="#">160139Q</a>	January 29, 2024	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">9</a>
4	<a href="#">186604Q</a>	February 12, 2024	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">11</a>
5	<a href="#">277672Q</a>	March 27, 2024	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">13</a>
6	<a href="#">559003Q</a>	August 8, 2024	* FELIX PAYMENT SYSTEMS LTD.	<a href="#">16</a>

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 355037N**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	November 8, 2021 at 6:12:59 am Pacific time
<b>Current Expiry Date and Time:</b>	November 8, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of November 18, 2024 at 12:12:40 pm Pacific time)

**Secured Party Information****ROYAL BANK OF CANADA****Address**36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**300-1286 HOMER STREET  
VANCOUVER BC  
V6B 2Y5 Canada**Vehicle Collateral**

None

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### General Collateral

#### Base Registration General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

---

### Original Registering Party

**D + H LIMITED PARTNERSHIP**

#### Address

2 ROBERT SPECK PARKWAY, 15TH F  
MISSISSAUGA ON  
L4Z 1H8 Canada



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 527605P****DISCHARGED**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	May 10, 2023 at 11:45:52 am Pacific time
<b>Discharge Date and Time:</b>	November 7, 2024 at 9:05:46 am Pacific time
<b>Current Expiry Date and Time:</b>	May 10, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of November 18, 2024 at 12:12:40 pm Pacific time)

**Secured Party Information****BONSAI GROWTH SOLUTIONS INC.****Address**408 - 55 WATER STREET  
UNIT 8933  
VANCOUVER BC  
V6B 1A1 Canada**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**300-1286 HOMER STREET  
VANCOUVER BC  
V6B 2Y5 Canada**Vehicle Collateral**

None

## General Collateral

May 11, 2023 at 10:34:47 am Pacific time

### DELETED

All present and after-acquired personal property of the Debtor, including without limitation, all of the Debtor's right, title and interest in and to its entitlement to any refundable tax credits, tax refunds and similar payments which the Debtor is eligible to receive from the Canada Revenue Agency under the Scientific Research and Experimental Development programs administered by the Canada Revenue Agency. All proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licenses, crops and instrument.

An uncrystallized floating charge on land.

### ADDED

All of the Debtor's right, title and interest in and to its entitlement to any refundable tax credits, tax refunds and similar payments which the Debtor is eligible to receive from the Canada Revenue Agency under the Scientific Research and Experimental Development programs administered by the Canada Revenue Agency. All proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licenses, crops and instrument.

### Base Registration General Collateral:

All present and after-acquired personal property of the Debtor, including without limitation, all of the Debtor's right, title and interest in and to its entitlement to any refundable tax credits, tax refunds and similar payments which the Debtor is eligible to receive from the Canada Revenue Agency under the Scientific Research and Experimental Development programs administered by the Canada Revenue Agency. All proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licenses, crops and instrument.

An uncrystallized floating charge on land.

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### Original Registering Party

**MILLER THOMSON LLP**

#### Address

700 WEST GEORGIA STREET  
SUITE 2200  
VANCOUVER BC  
V7Y 1K8 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### HISTORY

(Showing most recent first)

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#### TOTAL DISCHARGE

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**Registration Date and Time:** November 7, 2024 at 9:05:46 am Pacific time  
**Registration Number:** 751441Q

#### Registering Party Information

**MILLER THOMSON LLP**

**Address**

700 WEST GEORGIA STREET  
SUITE 2200  
VANCOUVER BC  
V7Y 1K8 Canada

#### AMENDMENT - COLLATERAL AMENDED

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**Registration Date and Time:** May 11, 2023 at 10:34:47 am Pacific time  
**Registration Number:** 529890P  
**Description:**

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

May 11, 2023 at 10:34:47 am Pacific time

DELETED

All present and after-acquired personal property of the Debtor, including without limitation, all of the Debtor's right, title and interest in and to its entitlement to any refundable tax credits, tax refunds and similar payments which the Debtor is eligible to receive from the Canada Revenue Agency under the Scientific Research and Experimental Development programs administered by the Canada Revenue Agency. All proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licenses, crops and instrument.

An uncrystallized floating charge on land.

ADDED

All of the Debtor's right, title and interest in and to its entitlement to any refundable tax credits, tax refunds and similar payments which the Debtor is eligible to receive from the Canada Revenue Agency under the Scientific Research and Experimental Development programs administered by the Canada Revenue Agency. All proceeds including, without limitation, all present and after-acquired personal property that may be derived from the sale or other disposition of the collateral, including inventory, equipment, intangibles, money, chattel papers, documents of title, securities, licenses, crops and instrument.

### Registering Party Information

**MILLER THOMSON LLP**

**Address**

700 WEST GEORGIA STREET  
SUITE 2200  
VANCOUVER BC  
V7Y 1K8 Canada

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 160139Q**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 29, 2024 at 2:10:44 pm Pacific time
<b>Current Expiry Date and Time:</b>	January 29, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of November 18, 2024 at 12:12:40 pm Pacific time)

**Secured Party Information****BOXER CAPITAL CORPORATION****Address**1188 WEST GEORGIA  
SUITE 650  
VANCOUVER BC  
V6E 4A2 Canada**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**1286 HOMER ST  
LEVEL 3  
VANCOUVER BC  
V6B 2Y5 Canada**Vehicle Collateral**

None

**General Collateral****Base Registration General Collateral:**

All of the Debtor's present and after acquired personal property.



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Original Registering Party

**YCO CORPORATE INVESTMENTS  
LTD.**

#### Address

EDWARDS KENNY & BRAY LLP  
SUITE 1900 1040 WEST GEORGIA ST  
VANCOUVER BC  
V6E 4H3 Canada



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 186604Q**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	February 12, 2024 at 10:41:23 am Pacific time
<b>Current Expiry Date and Time:</b>	February 12, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of November 18, 2024 at 12:12:40 pm Pacific time)

**Secured Party Information****BOXER, JAKE****Address**1000-3707 7TH AVE W  
VANCOUVER BC  
V6R 1W7 Canada**THE CA MORDY LEGACY TRUST****Address**650-1188 GEORGIA ST W  
VANCOUVER BC  
V6E 4A2 Canada**BROOKRIDGE CHARTERED  
PROFESSIONAL ACCOUNTANTS  
INC.****Address**650-1188 GEORGIA ST W  
VANCOUVER BC  
V6E 4A2 Canada**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**250 HOWE STREET, 20TH FLOOR  
VANCOUVER BC  
V6C 3R8 Canada

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### Vehicle Collateral

None

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### General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

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### Original Registering Party

YCO CORPORATE INVESTMENTS  
LTD.

#### Address

EDWARDS KENNY & BRAY LLP  
SUITE 1900 1040 WEST GEORGIA ST  
VANCOUVER BC  
V6E 4H3 Canada

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 277672Q**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	March 27, 2024 at 4:52:07 pm Pacific time
<b>Current Expiry Date and Time:</b>	March 27, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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**CURRENT REGISTRATION INFORMATION**(as of November 18, 2024 at 12:12:40 pm Pacific time)

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**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Secured Party Information****MORDY, DOUGLAS ALAN****Address**2901 BROOKRIDGE DR  
NORTH VANCOUVER BC  
V7R 3A7 Canada**MORDY, CANDICE ROSE****Address**2901 BROOKRIDGE DR  
NORTH VANCOUVER BC  
V7R 3A7 Canada**MCREE, RALPH KURT****Address**5114 ROSS ST  
VANCOUVER BC  
V5W 3K7 Canada**SECTION 3 VENTURES (VCC) INC.****Address**650-1188 GEORGIA ST W  
VANCOUVER BC  
V6E 4A2 Canada**NANALAL, KAPIL****Address**7775 KENTWOOD ST  
BURNABY BC  
V5A 2E6 Canada**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**250 HOWE STREET, 20TH FLOOR  
VANCOUVER BC  
V6C 3R8 Canada**Vehicle Collateral**

None

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

---

### Original Registering Party

YCO CORPORATE INVESTMENTS  
LTD.

#### Address

EDWARDS KENNY & BRAY LLP  
SUITE 1900 1040 WEST GEORGIA ST  
VANCOUVER BC  
V6E 4H3 Canada



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 559003Q**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	August 8, 2024 at 9:19:54 am Pacific time
<b>Current Expiry Date and Time:</b>	August 8, 2034 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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**CURRENT REGISTRATION INFORMATION**(as of November 18, 2024 at 12:12:40 pm Pacific time)

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**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Secured Party Information****SR HALL MANAGEMENT LLC****Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**BBSG HALL INVESTMENTS, LLC****Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**RIPCORN CAPITAL LLC****Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**DAPIT NA, LLC****Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**HALL, STEVE****Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**Debtor Information****FELIX PAYMENT SYSTEMS LTD.****Address**

355 BURNARD ST, LEVEL 14  
VANCOUVER BC  
V6C 2G8 Canada

**Vehicle Collateral**

None

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

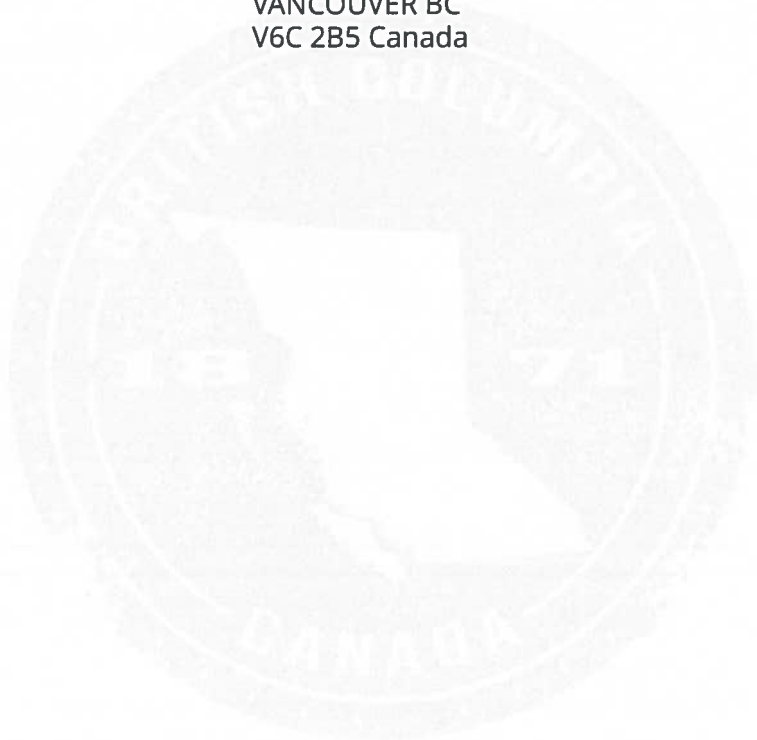
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### Original Registering Party

**GOWLING WLG (CANADA) LLP**

**Address**

2300-550 BURNARD ST.  
VANCOUVER BC  
V6C 2B5 Canada



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**HISTORY**

(Showing most recent first)

**AMENDMENT**

**Registration Date and Time:** August 26, 2024 at 11:15:06 am Pacific time  
**Registration Number:** 595123Q  
**Description:** Addition of secured parties

**Secured Party Information****BBSG HALL INVESTMENTS, LLC**

ADDED

**Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**RIPCORN CAPITAL LLC**

ADDED

**Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**DAPIT NA, LLC**

ADDED

**Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**HALL, STEVE**

ADDED

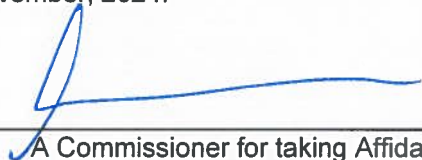
**Address**

6605 ABERCORN ST STE 204  
SAVANNAH GA  
31405-5819 United States of America

**Registering Party Information****CLARK WILSON LLP ATT. PPSA  
CLERK****Address**

800 - 885 WEST GEORGIA STREET  
VANCOUVER BC  
V6C 3H1 Canada

This is **Exhibit "E"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'J' or 'L' shape followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$150,000

June 25, 2021

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of Jake Boxer (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$150,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.

2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.

4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.

5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.

6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

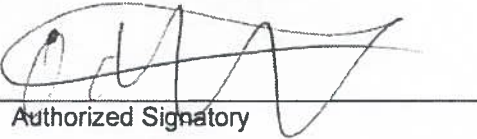
11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:

  
Authorized Signatory  
Witness

**DOUGLAS A. MORDY**  
Barrister & Solicitor  
1400 - 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

By:

  
**JAKE BOXER**



This is **Exhibit "F"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$500,000

November 25, 2022

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of Jake Boxer (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$500,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

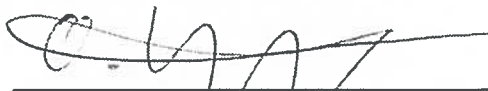
10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

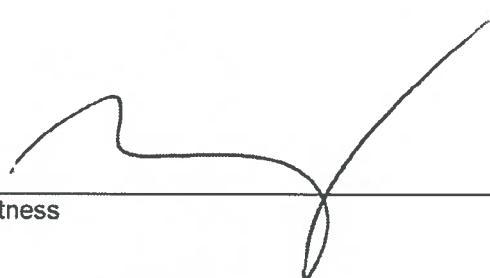
11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:   
Authorized Signatory

  
Witness

**DOUGLAS A. MORDY**  
Barrister & Solicitor  
1400 - 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

By:   
**JAKE BOXER**

This is **Exhibit "G"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$300,000

December 29, 2022

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of Jake Boxer (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$300,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*



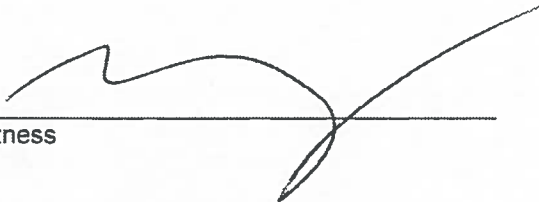
IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:

  
Authorized Signatory

Witness

  
**DOUGLAS A. MORDY**  
Barrister & Solicitor  
1400 - 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

By:

  
**JAKE BOXER**

This is **Exhibit "H"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$250,000

February 7, 2023

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of Jake Boxer (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$250,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.

2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.

4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.

5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.

6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:

Authorized Signatory

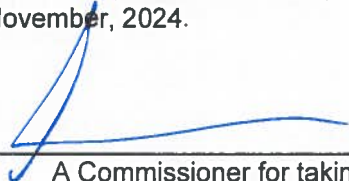
Witness

**DOUGLAS A. MORDY**  
Barrister & Solicitor  
1400 - 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

By:

**JAKE BOXER**

This is **Exhibit "I"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized, cursive-like script that starts with a large loop and ends with a horizontal stroke.

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A Commissioner for taking Affidavits  
for British Columbia



**SECURED PROMISSORY NOTE****AMOUNT: CAD\$60,000****DATE OF ISSUE: February 10, 2024**


**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “Borrower”) promises to pay to or to the order of Jake Boxer (the “Lender”) the principal sum of \$60,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the “**Loan Agreement**”)), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per: \_\_\_\_\_

  
 Authorized Signatory

This is **Exhibit "J"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**SECURED PROMISSORY NOTE****AMOUNT:** CAD\$66,000**DATE OF ISSUE:** February 28, 2024

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the "**Borrower**") promises to pay to or to the order of Jake Boxer (the "**Lender**") the principal sum of \$66,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the "**Loan Agreement**")), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower's address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this "**Note**") becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower's Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. 186604Q.
4. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per: \_\_\_\_\_

  
 Authorized Signatory

This is **Exhibit "K"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**SECURED DEMAND PROMISSORY NOTE****CDN\$60,000****VANCOUVER, BRITISH COLUMBIA****DATE: MARCH 14, 2024****1. Promise to Pay**

FOR VALUE RECEIVED, **FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) unconditionally promises to pay to **JAKE BOXER**, an individual residing in Vancouver, British Columbia (the “**Lender**”), his successors and assigns, or to his order (or at such other address as the Lender shall notify the Borrower), in lawful money of Canada, the amount of **SIXTY THOUSAND DOLLARS (\$60,000)** (the “**Principal Amount**”) together with interest on the Principal Amount outstanding from time to time. The Principal Amount and all interest owing thereon shall be due and be paid on demand by the Lender.

For the purposes of this Note, capitalized terms used herein but not otherwise defined shall have the meaning given to such term in the *Personal Property Security Act* (British Columbia).

**2. Interest**

The Principal Amount outstanding at any time, and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**3. Prepayment**

When not in default under this Note, the Borrower shall be entitled to prepay, in whole or in part, the Principal Amount outstanding and any accrued interest, without notice, bonus or penalty, provided that the Borrower deliver to the Lender a notice of prepayment at least seven (7) days prior to the date of repayment.

**4. Security**

In order to secure the due payment of the Principal Amount and all interest owing thereon, the Borrower hereby grants in favour of the Lender a continuing, specific and fixed security interest in all present and after acquired personal property of the Borrower, and all personal property in which the Borrower has or in the future may acquire rights, of whatever nature or kind and wherever situate, including, without limitation, all Goods, Investment Property, Instruments, Accounts, Intangibles, and Money, and all proceeds of the foregoing (the “**Collateral**”). The security interest of the Lender in the Collateral is intended to attach upon the execution of this Note.

The security interest created herein shall not extend or apply to (a) Consumer Goods or (b) the last day of the term of any lease or agreement to lease real property; but upon the enforcement of this Note, the Borrower shall stand possessed of such last day in trust to assign and dispose thereof as the Lender may direct.

The security granted by the Borrower to the Lender hereunder is granted in addition to and shall in no event replace or supersede any other security granted by the Borrower to the Lender,

including, without limitation, that certain security agreement dated as of or about February 10, 2024 and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration number 186604Q.

## 5. Events of Default

An event of default has occurred and is continuing (each, an “**Event of Default**”) in any one of the following situations:

- (a) the Borrower fails to make payment when due of the Principal Amount outstanding;
- (b) the Borrower is unable to meet its obligations as they generally become due;
- (c) a proceeding in bankruptcy or insolvency of the Borrower, or any proceeding related to protection from creditors, or any proceeding or action is taken for the appointment of a monitor, receiver or trustee for any of its property is filed by or against the Borrower, including any proceeding under the *Bankruptcy and Insolvency Act*, the *Companies’ Creditor’s Arrangement Act*, the *Winding-Up and Restructuring Act* or the *Business Corporations Act*;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of the Borrower; or
- (e) any breach of any covenant, representation, warranty or obligation of the Borrower to the Lender under any other agreement or security granted to the Lender which has not otherwise been waived by the Lender in accordance with the terms of such agreement or security.

## 6. Rights and Remedies

At any time after an Event of Default has occurred , the Lender may, at its option:

- (a) **acceleration upon default** - require the Principal Amount and interest thereon become immediately due and payable in full;
- (b) **appointment of receiver** - appoint by instrument in writing a receiver (which term shall for the purposes of this Note include a receiver and manager or agent) of the Borrower and of all or any part of the Collateral;
- (c) **retain the Collateral** – retain and administer the Collateral in the Lender’s sole and unfettered discretion, which discretion the Borrower acknowledges is commercially reasonable;
- (d) **dispose of the Collateral** – dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Borrower to the extent permitted by law;
- (e) **enforcing third party obligations** – in the Borrower’s name, perform, at the Borrower’s expense, any and all of the Borrower’s obligations or covenants



relating to the Collateral and enforce performance by any other parties of its obligations in relation to the Collateral and settle any disputes with other parties upon terms that the Lender deems appropriate, in its discretion;

- (f) **other rights** – exercise any or all other rights and remedies available to the Lender under this Note or applicable law.

In addition, the Borrower shall pay all reasonable costs and expenses, including solicitor fees and court costs, of collecting the outstanding Principal Amount and interest due under this Note and any other reasonable costs and expenses incurred by the Lender in enforcing and preserving its rights hereunder. It is expressly understood and agreed that the rights and remedies of the Lender under this Note are cumulative, non-exclusive and are in addition to and not in substitution for any rights or remedies provided by law or equity.

#### **7. Criminal Rate of Interest**

In no event shall the aggregate “interest” (as defined in Section 347 (the “**Criminal Code Section**”) of the *Criminal Code* (Canada)), payable to the Lender under this Note exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Note in respect of such “interest” is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such “interest” shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

#### **8. Waiver by the Borrower**

The Borrower hereby waives demand, presentment for payment, notice of non-payment, notice of dishonour, notice of acceleration and notice of protest of this Note and waive any defences based upon indulgences which may be granted by the Lender to any party liable hereon. The Borrower also waives the benefit of any days of grace, and the right to assert in any action or proceeding with regard to this Note any setoffs or counterclaims which the Borrower may have against the Lender.

#### **9. No Waiver by the Lender**

Neither the extension of time for making any payment which is due and payable under this Note at any time or times, nor the failure, delay, or omission of the Lender to exercise or enforce any of its rights or remedies under this Note, shall constitute a waiver by the Lender of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Lender’s further exercise of such right or remedy or any other right or remedy.

#### **10. Non-Transferrable**



This Note, including all rights and obligations associated hereunder, shall not be transferrable, except with the prior written consent of the Lender. The Lender may assign its rights under this Note.

**11. Further Assurances**

The Borrower and the Lender shall at all times promptly do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Note, and shall promptly provide such further documents or instruments required by the other parties as may be necessary or desirable to effect the purpose of this Note and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, granting control over, confirming or perfecting the security interest in the Collateral and the priority accorded to them by law or under this Note or to enable the Lender to exercise and enforce its rights and remedies hereunder.

**12. Severability**

If any provision of this Note is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions of this Note will continue in full force and effect.

**13. Issuance of Replacement Note**

The Borrower hereby covenants and agrees with the Lender that if this Note becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.

**14. Governing Law and Successors**

This Note is made under and shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in the Province of British Columbia, and shall enure to the benefit of the Lender and its successors (including any successor by reason of amalgamation) and assigns, and shall be binding on the Borrower and its successors (including any successor by reason of amalgamation) and permitted assigns.

***[Signature Page Follows]***

**IN WITNESS WHEREOF the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.**

**FELIX PAYMENT SYSTEMS LTD.**

By: \_\_\_\_\_  
Name: Warren Hogg  
Title: Director

This is **Exhibit "L"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'L' shape followed by a horizontal line extending to the right.

A Commissioner for taking Affidavits  
for British Columbia

**AMENDED AND RESTATED  
DEMAND LOAN AGREEMENT**

**THIS AMENDED AND RESTATED DEMAND LOAN AGREEMENT** (this “Agreement”) dated for reference March 27, 2024

**AMONG:**

**JAKE BOXER**, an individual residing in Vancouver, British Columbia  
(the “**Lender**”)

**AND:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20th Floor, Vancouver, British Columbia, V6C 3R8  
(the “**Borrower**”)

**WHEREAS:**

- A. The Borrower is presently indebted to the Lender in the aggregate principal amount of \$ 1,386,000.00 (the “**Existing Principal**”) and all interest accrued thereon as of the date hereof, being \$278,062.81 (together with the Existing Principal, the “**Existing Indebtedness**”), pursuant to a series of promissory notes issued from time to time by the Borrower in favour of the Lender (collectively, the “**Historical Notes**”).
- B. The Borrower and the Lender are party to that certain demand loan agreement dated as of or about February 10, 2024 (the “**Original Loan Agreement**”, and together with Historical Notes, the “**Historical Debt Instruments**”) in respect of that certain promissory note dated as of February 10, 2024.
- C. As consideration for the March 2024 Advance (as defined below) and the ability to request Subsequent Advances (as defined below) on the terms and conditions set out herein, the Borrower and the Lender have agreed to enter into this Agreement to amend and restate the Historical Debt Instruments and to consolidate the Existing Indebtedness.
- D. The Borrower requires additional borrowings to fund its ongoing operations, and the Lender has agreed to make further advances to the Borrower in accordance with the terms and conditions hereof.

**NOW THEREFORE** the parties agree as follows:

**1. Definitions**

1.1 When used in this Agreement or in any amendment hereto, the defined terms shall have the meaning assigned to them herein. In this Agreement:

- (a) “**Advance**” has the meaning set out in Section 2.3;

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- (b) **"Applicable Law"** means, in relation to any Person, property, transaction or event, all applicable provisions of: (a) statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, treaties, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case applicable to or binding upon such Person, property, transaction or event.
- (c) **"Change of Control"** means the acquisition of the Borrower by another Person by means of any transaction or series of related transactions (including any reorganization, amalgamation, arrangement, merger or consolidation or share transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Borrower), unless the Borrower's shareholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 65% of the voting power of the surviving or acquiring entity;
- (d) **"Conditions Precedent"** has the meaning set out in Section 6.2;
- (e) **"Event of Default"** has the meaning set out in Section 9.3;
- (f) **"Existing Indebtedness"** has the meaning set out in the recitals hereto;
- (g) **"Existing Security"** has the meaning set out in Section 6.1;
- (h) **"Governmental Authority"** means the government of Canada or of any other nation, or of any political subdivision thereof, whether state, provincial, territorial, local or municipal and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including, without limitation, the Canada Revenue Agency;
- (i) **"Grid"** has the meaning set out in Section 2.2;
- (j) **"ITA"** means the *Income Tax Act* (Canada) and regulations promulgated thereunder;
- (k) **"Historical Debt Instruments"** has the meaning set out in the recitals hereto;
- (l) **"Legal Fees"** has the meaning set out in Section 10;
- (m) **"Loan"** has the meaning set out in Section 6.2;
- (n) **"March 2024 Advance"** has the meaning set out in Section 2.2;

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- (o) **"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government, a Governmental Authority or any department or agency thereof, and any other incorporated or unincorporated entity;
- (p) **"Security Documents"** has the meaning set out in Section 6.2;
- (q) **"SRED Claims"** means the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years;
- (r) **"SRED Refunds"** means any federal and provincial cash refund investment tax credits received by the Borrower or its agent in connection with any SRED Claims; and
- (s) **"Subsequent Advance"** has the meaning set out in Section 2.3.

1.2 All dollar amounts in this Agreement are in Canadian dollars.

## 2. Loan

- 2.1 The Borrower acknowledges and confirms the Existing Indebtedness.
- 2.2 The Lender shall, on the terms and conditions of this Agreement, advance to the Borrower the amount of \$30,000.00 (the **"March 2024 Advance"**, and together with the Existing Indebtedness and any Subsequent Advances, the **"Loan"**) which shall be due immediately upon demand.
- 2.3 The Borrower may request subsequent advances (each a **"Subsequent Advance"** and collectively, the **"Subsequent Advances"** as outstanding from time to time), which such Subsequent Advance may be made by the Lender and set forth in the grid attached as Schedule "A" hereto (the **"Grid"**).
- 2.4 Any Subsequent Advance will be made solely at the discretion of the Lender and be due immediately upon demand, and the Lender is under no obligation under this Agreement or otherwise to make any Subsequent Advance to the Borrower.
- 2.5 Any Subsequent Advances and any partial prepayments of the Loan hereunder shall be recorded on the Grid, which may be so amended, supplemented, restated or otherwise modified from time to time by means of an instrument in writing signed by the Lender. Other than in cases of manifest error, the Borrower agrees that the entries by the Lender on the Grid of payments shall be prima facie proof of the matters so recorded. The Lender will give the undersigned written confirmation upon request of all notations made by it on the Grid, provided that the failure by the Lender to give such confirmation shall not impair the validity of any notation.

## 3. Interest

The principal amount of the Loan outstanding at any time (which, for greater certainty, includes the Existing Indebtedness, the March 2024 Advance and any Subsequent Advances), and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before



and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**4. Purpose**

The Borrower acknowledges that the Loan is for use by the Borrower only and will be used by the Borrower only for business purposes as general working capital and for general corporate requirements.

**5. Repayment Due on Demand**

- 5.1 The Loan (including the Existing Indebtedness) and any portion outstanding thereof will be immediately repayable in full upon demand from the Lender to the Borrower.
- 5.2 The Loan and all interest accrued thereon, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment.
- 5.3 All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

**6. Security**

- 6.1 To secure the payment and performance of the Borrower's obligations under the Existing Indebtedness and all future indebtedness of the Borrower to the Lender, the Borrower granted certain security in favour of the Lender, including that certain general security agreement dated as of February 10, 2024 (the "Existing Security"). The Borrower hereby affirms and confirms the covenants and agreements contained in the Existing Security, affirms and confirms its prior pledges and grants of security on the assets of the Borrower as contemplated thereby to secure all of the Borrower's present and future indebtedness to the Lender, including, for greater certainty, the Loan, and confirms and acknowledges the Existing Security shall continue to be in full force and effect.
- 6.2 As further security for the payment, observance and performance of this Agreement, the Borrower agrees to deliver such other security as the Lender may require from time to time, in a form and manner satisfactory to the Lender (such other security, together with the Existing Security, the "Security Documents", and each, a "Security Document").
- 6.3 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrower's obligations hereunder or under any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Loan or the Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to



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the Loan will affect the liability of the Borrower hereunder and nothing but the actual payment in full to the Lender of the Loan will discharge the Borrower or any of the Security Documents.

## 7. **Conditions Precedent**

7.1 As conditions precedent (the “**Conditions Precedent**”) to making the March 2024 Advance contemplated by this Agreement available to the Borrower, the Borrower shall provide to the Lender:

- (a) this Agreement duly executed and delivered, and
- (b) the authorizing resolution of all of the directors of the Borrower authorizing the entering into of this Agreement and matters ancillary thereto, in form and substance satisfactory to the Lender.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

7.2 The following Conditions Precedent shall apply to any Subsequent Advance made available to the Borrower:

- (a) the Borrower shall be in compliance with all representations, warranties and covenants contained in this Agreement;
- (b) no Event of Default shall have occurred and be continuing; and
- (c) the Security Documents shall continue in effect to create an enforceable security interest in the assets of the Borrower as provide in such Security Documents.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

## 8. **Covenants**

8.1 The Borrower shall:

- (a) pay all sums of money when due by it under this Agreement or in respect of the Existing Indebtedness;
- (b) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute a an Event of Default;
- (c) deliver to the Lender at any time there is a change in corporate structure, an updated corporate organizational chart reflecting the corporate organization of the Borrower and any affiliates;
- (d) operate its business in accordance with sound business practices and in material compliance with all Applicable Laws (including those regarding

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ownership of Persons carrying on the type of business that it carries on), material contracts;

- (e) 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;
- (f) file all tax returns which are filed by it from time to time, to pay or make provision for payment of all taxes (including interest and penalties) when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (g) comply in all material respects with all Applicable Laws;
- (h) comply with all terms and conditions of all insurance policies issued in respect of its assets or operations;
- (i) maintain its existence and maintain its qualification to do business in all jurisdictions where it carries on business;
- (j) keep proper books of account and records;
- (k) maintain itself in good standing and to obtain, as and when required, all permits and contracts that it requires to permit it to acquire, own, operate and maintain its business and property and perform its obligations under this Agreement and the Security Documents;
- (l) maintain, preserve and keep its property, plant and equipment in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained;
- (m) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (n) maintain any and all tax obligations of the Borrower with all applicable Governmental Authorities current and in good standing;
- (o) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;

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- (p) respond promptly and fully to any request received from a Governmental Authority and any other applicable tax authority;
- (q) immediately notify, or cause the notification of, the Lender of the receipt of any SRED Refunds and the amount thereof;
- (r) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (s) carry on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (t) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the ITA and other applicable legislation and the regulations thereto; and
- (u) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

**8.2 The Borrower shall not:**

- (a) without the prior written consent of the Lender, make any acquisition or investment in respect of the shares, units or other interests of another Person or all or substantially all of the assets of another Person;
- (b) unless it has first obtained the prior written consent of the Lender, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person, or consent to or facilitate a change in the ownership of its shares;
- (c) make any change whereby the nature of the business carried on by it would be materially altered;
- (d) (i) declare or pay any dividend, return of capital or other distribution in cash or property other than its own share capital, of, on or in respect of, any of its issued and outstanding capital, (ii) retire, redeem, retract, purchase, or otherwise acquire its own issued capital, reduce its stated capital or make any payment of any kind whatsoever to effect any of the foregoing, (iii) other than the issuance of stock options to eligible persons pursuant to any equity compensation plan currently in effect, pay any bonuses, management or similar fees unless they reflect the fair market value of services actually performed by the payees and no Event of Default has occurred and is continuing, or would result from payment;
- (e) make any payment on any debts owing to any related party;

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- (f) make any payment on any subordinated debt;
- (g) create, incur, assume or permit the existence of any debt other than debt existing as of the date hereof or approved by the Lender;
- (h) do anything to adversely affect the validity of the Security Documents;
- (i) make any loans to employees or director, grant any guarantee or financial assistance, assume any contingent liability, make any investment or enter into any transactions with affiliates, except for those currently held and in amounts approved by the Lender;
- (j) enter into, or agree to enter into, any transaction that would result in, or otherwise cause or permit, a Change of Control of the Borrower;
- (k) make any capital expenditure unless such capital expenditure is reviewed and approved by the Lender, such approval not to be unreasonably withheld;
- (l) make any sale, transfer or other disposition of property other than: (i) sales of inventory in the ordinary course of business; (ii) dispositions of worn or obsolete equipment;

8.3 The covenants set forth in Sections 8.1 and 8.2 shall remain in effect and apply so long as the Borrower is indebted to the Lender.

## 9. Default

9.1 Upon the occurrence of an Event of Default the Lender may, in its discretion and in addition to any other rights and powers held by the Lender:

- (a) declare the whole or any part of the Loan to be in default and immediately due and payable and thereupon the Loan and all other amounts owing hereunder will immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived by the Borrower;
- (b) demand payment of the Loan, and all other amounts owing hereunder, from the Borrower; and
- (c) exercise any or all of its remedies under this Agreement and the Security Documents.

For greater certainty, the Lender may immediately demand repayment the Loan and payment of all other amounts owing hereunder at any time notwithstanding that no Event of Default has occurred.

9.2 No remedy herein conferred on the Lender is intended to be exclusive and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

9.3 For the purposes of this Agreement, an “**Event of Default**” will mean any one of the following:

- (a) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement;
- (b) the Borrower (i) fails to perform or observe any obligation; or (ii) breaches any provision in any material respect of this Agreement or the Security Documents;
- (c) the Borrower defaults in the payment of any obligation to any Person other than the Lender, or in the performance or observance of any agreement in respect of any such obligation where, as a result of such default, the maturity of such obligation is accelerated and all cure periods have expired;
- (d) any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;
- (e) there is, in the reasonable opinion of the Lender, a Change of Control or merger or material adverse change in, or a material adverse effect on, the financial condition, operation or ownership of the Borrower;
- (f) the Borrower 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;
- (g) any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower, or (ii) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of any of the Borrower (iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of any of the Borrower, or (iv) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of any of the Borrower;
- (h) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of any of the Borrower or gives notice of its intention to do any of the foregoing;
- (i) a judgment is rendered against the Borrower;



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- (j) any provision of this Agreement or any Security Documents becomes invalid or unenforceable for any reason whatsoever, or the Borrower breaches, or is non-compliant with, any provision of any such document;
- (k) any governmental or regulatory approvals or licenses which are material to the business of the Borrower are revoked or suspended for any reason whatsoever; or
- (l) the Borrower defaults on any payment due to the Lender or any affiliate of the Lender, under any other agreement made between the Lender or any such affiliate and the Borrower, which default gives the Lender or such affiliate under the other agreement the right under such other agreement to accelerate the maturity of its debt thereunder, irrespective of whether or not the Lender or such affiliate actually does so.

#### **10. Legal and Other Expenses**

The Borrower shall forthwith pay on demand all of the Lender's legal fees and disbursements and taxes thereon (the "Legal Fees") for the preparation, negotiation and issue of this Agreement, the Security Documents and all other documents required hereby, the administration of the Loan (which may be performed by a third party administrator selected by the Lender but whose expenses are for the Borrower's account) and for all advances made hereunder including all searches and due diligence or cash advances. The Lender may withhold from any Subsequent Advance to pay the Legal Fees. The Borrower shall also pay the Legal Fees of the Lender in respect of the enforcement and preservation of the Lender's rights and remedies under this Agreement, the Security Documents or otherwise. The Borrower's obligations in this Section 10 shall survive the termination of this Agreement.

#### **11. Representations and Warranties**

11.1 The Borrower hereby represents and covenants to the Lender that, as of the date hereof and as of the date of the first Advance and the dates of all subsequent Advances, as applicable:

- (a) it is a corporation duly formed and validly existing and is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or business makes such registration or qualification necessary or desirable and is in good standing as a corporation under its jurisdiction of incorporation;
- (b) the execution, delivery and performance by it of this Agreement and the Security Documents have been or will be duly authorized by all necessary actions and do not or will violate its constituting documents or any Applicable Laws or agreements to which it is subject or by which it is bound and this Agreement and the Security Documents to which it is a party constitute, or will constitute, as applicable, legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their terms;
- (c) no event has occurred hereunder which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;

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- (d) it has filed all tax returns which were required to be filed by it, paid or made provision for payment of all taxes (including interest and penalties) which are due and payable, and provided adequate reserves for payment of any tax, the payment of which is being contested;
- (e) it has good and marketable title to all of its properties and assets including without limitation all licenses, copyrights, trademarks and other intellectual property;
- (f) it is in compliance in all material respects with all Applicable Laws;
- (g) it is in material compliance with all material contracts;
- (h) no permit is required, nor is any authorization, consent, approval or notice required under any material contract to which it is a party, in connection with its execution, delivery and performance of this Agreement or the Security Documents to which it is or will be a party or the incurrence of obligations under this Agreement or the Security Documents;
- (i) there has been no event or circumstance that has had or could reasonably be expected to have a material adverse effect on the Borrower's business, or on the Borrower's ability to meet its obligations under this Agreement or the Security Documents;
- (j) the net realizable value of its assets exceeds its total liabilities and the Borrower is able to meet its obligations as the same become due;
- (k) there are no litigation proceedings, arbitration proceedings, insolvency proceedings, labour disputes, claims, actions, prosecutions or other proceedings of any kind existing, pending or, to the best of its knowledge, threatened against it, before any court or administrative agency or tribunal of any country which, separately or in the aggregate, could reasonably be expected to materially and adversely affect its financial condition, its assets or operations or its ability to perform its obligations under this Agreement, or the Security Documents;
- (l) it is in compliance with all terms and conditions of all insurance policies issued in respect its assets or operations;
- (m) it has disclosed to the Lender all material facts required to be disclosed pursuant to this Agreement;
- (n) it owns or is licensed or otherwise has the right to use all intellectual property that is necessary for the operation of its business, to its knowledge without material conflict with the rights of any other Person. If it is not the owner of any intellectual property used in its business, its right of use is not subject to termination unless the consequences of termination would not be material;
- (o) it has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and



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operations in such a form as would be customarily held by Persons carrying on a similar business or owning similar assets;

- (p) it shall only use the proceeds of the Loan for the purposes outlined in Section 4;
- (q) all material or information submitted by the Borrower is complete and accurate in all material respects and the financial statements, certificates and other information concerning the Borrower's consolidated financial condition provided by the Borrower to the Lender represent fairly in all material respects, the consolidated financial position of the Borrower;
- (r) it has obtained and maintains (by the observance and performance of all obligations thereunder and conditions thereof) all government approvals required for it to carry on business;
- (s) it has disclosed all transactions with any of its affiliates to the Lender;
- (t) it has disclosed to the Lender an accurate corporate organizational chart indicating all of its subsidiaries, if any, and all affiliates;
- (u) the borrower is a Canadian Controlled Private Corporation as defined in the ITA;
- (v) the Borrower has carried on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims; and
- (w) save for any amounts due to any Governmental Authority which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the ITA, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower.

## **12. Non-Assignment**

The Borrower may not assign any of its rights under this Agreement without the consent of the Lender, which consent may be unreasonably withheld. The Lender may assign its rights and obligations under this Agreement and the Security Documents upon written notice thereof to the Borrower and without the consent of the Borrower.

## **13. Criminal Rate of Interest**

In no event shall the aggregate "interest" (as defined in Section 347 (the "Criminal Code Section") of the *Criminal Code* (Canada)), payable to the Lender under this Loan Agreement

exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Loan Agreement in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

**14. Interest Act**

Each interest rate which is calculated under this Agreement on any basis other than a fully calendar year (the "deemed interest period") is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such results by the actual number of days in the calendar year (365 or 366, as the case may be).

**15. Amendment**

No amendment, waiver or modification of this Agreement or the Security Documents in whole or in part will be enforceable against the Lender unless it is in writing expressed to be a modification of this Agreement or the Security Documents, as the case may be.

**16. Binding Effect**

This Agreement shall be binding on the Borrower and its successors and assigns and shall enure to the benefit of the Lender and its successors and assigns.

**17. Time is of the Essence**

Time is of the essence of this Agreement.

**18. Further Assurances**

The Borrower hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be required by the Lender to implement and carry out the intent of this Agreement.

**19. Governing Law**

This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The courts of British Columbia shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**20. Headings**

The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

**21. Notices**

All notices, demands and payments required or permitted to be given hereunder shall be in writing and may be delivered personally, sent by e-mail or other electronic communication pursuant to procedures approved by the Lender, or may be forwarded by same-day or overnight courier to the addresses set forth on the first page of this Agreement or at such other address or addresses or e-mail addresses as may from time to time be notified in writing by the parties hereto. Any notice delivered or sent by e-mail or other electronic communication shall be deemed to have been given and received at the time of delivery. Any notice couriered as aforesaid shall be deemed to have been given and received on the expiration of 24 hours after it is posted.

**22. Severability**

Should any part of this Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

**23. Amendment and Restatement**

This Agreement amends and restates the terms of the Historical Debt Instruments such that the Historical Debt Instruments are replaced in their entirety by this Agreement.


**24. Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Any party hereto may deliver an executed signature page to this Agreement by electronic transmission or DocuSign and such delivery will be as effective as delivery of a manually executed copy of this Agreement by such party.

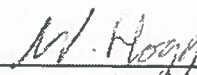
***[Signature Pages Follows]***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**The Lender:**


  
\_\_\_\_\_  
Jake Boxer

**FELIX PAYMENT SYSTEMS LTD, as  
Borrower:**

By:   
\_\_\_\_\_  
Name: Warren Hogg  
Title: C.T.O.



This is **Exhibit "M"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia



## GENERAL SECURITY AGREEMENT

made by

**FELIX PAYMENT SYSTEMS LTD.**

in favour of

**Jake Boxer**

dated as of

**February 10, 2024**

This GENERAL SECURITY AGREEMENT, dated as of February 10, 2024 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, this "**Agreement**"), is made by FELIX PAYMENT SYSTEMS LTD., a British Columbia corporation (the "**Grantor**"), in favour of Jake Boxer (the "**Secured Party**").

### RECITALS

**WHEREAS**, the Grantor, as borrower has entered into a Demand Loan Agreement dated as of the date of this Agreement with the Secured Party (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**") pursuant to which the Lender have made and will make certain loans available to the Grantor;

**WHEREAS**, this Agreement is given by the Grantor in favour of the Secured Party to secure the payment and performance of all of the Secured Obligations (defined below), including, without limitation, the obligations of the Grantor under the Loan Agreement; and

**WHEREAS**, it is a condition to the effectiveness of the Loan Agreement that the Grantor execute and deliver this Agreement.

**NOW THEREFORE**, in consideration of the Secured Party entering into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

### ARTICLE I DEFINITIONS

#### Section 1.01 Definitions.

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Loan Agreement. Unless otherwise defined herein or in the Loan Agreement, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (b) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" is defined in Section 2.01.



"Event of Default" means any event of default as defined in the Loan Agreement.

"Grantor" is defined in the preamble of this Agreement.

"Loan Agreement" is defined in the recitals of this Agreement.

"Loan Document" and "Loan Documents" means the Loan Agreement, this Agreement and any other documents delivered by the Grantor to the Secured Party pursuant to or in connection with the Loan Agreement.

"PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of British Columbia.

"Proceeds" means "proceeds" as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"Secured Obligations" is defined in Section 3.01.

"Secured Party" is defined in the preamble of this Agreement.

"STA" means the *Securities Transfer Act*, as in effect from time to time in the Province of British Columbia.

**Section 1.02 Interpretation.** Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

## ARTICLE II GRANT OF SECURITY INTEREST

**Section 2.01 Grant of Security Interest.** As security for the payment and performance of the Secured Obligations, the Grantor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to the Secured Party, and hereby creates a general and continuing security interest in favour of the Secured Party in and to all of the Grantor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

- (a) all present and after-acquired property, assets and undertaking of the Grantor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and any other contract rights or rights to the payment of money;
- (b) all Proceeds and products of each of the foregoing, including all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Grantor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing;

- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing;
- (f) all federal and provincial cash refund tax investment tax credits received by the Grantor arising as a result of the T661 Scientific and Experimental Development (SR&ED) expenditures claimed by the Grantor for the Grantor's 2023 fiscal year and all subsequent years; and
- (g) the last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Grantor is hereby excepted out of the security interests hereby created, but should the Secured Party need to enforce against the Collateral, the Grantor shall hold the last date in trust for the Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, the collateral does not include any Consumer Goods.

**Section 2.02 Attachment of Security Interest.** The Grantor acknowledges that value has been given, that the Grantor has rights in the Collateral, and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Grantor acknowledges that any security interest created by this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Grantor acquires rights in such after-acquired Collateral.

### ARTICLE III SECURED OBLIGATIONS

**Section 3.01 Secured Obligations.** The Collateral secures the payment and performance of all present and future obligations of the Grantor to the Secured Party from time to time, including without limitation, all present and future obligations of the Grantor, arising under the Loan Agreement, this Agreement and the other Loan Documents, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Loan Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the "**Secured Obligations**").

### ARTICLE IV PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES

**Section 4.01 Perfection.** The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be reasonably requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral at the sole expense of the Grantor.

**Section 4.02 Intellectual Property.** The Grantor hereby further authorizes the Secured Party to file with the Canadian Intellectual Property Office this Agreement and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interests in Intangibles granted by the Grantor hereunder, without the signature of the Grantor where permitted by law.

**Section 4.03 Chattel Paper, Documents of Title, Instruments.** If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Grantor shall immediately endorse, assign and deliver possession of the same to the Secured Party for the benefit of the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

**Section 4.04 Control Agreement.** Where Investment Property is held in an account of a securities intermediary, the Grantor shall: (i) enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary in a form and substance acceptable to the Secured Party; and (ii) enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary, in a form and substance acceptable to the Secured Party.

**Section 4.05 Copy of Verification Statement.** To the extent permitted by law, the Grantor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Party in connection with the Secured Party's interest in the Collateral.

**Section 4.06 Further Assurances.** The Grantor agrees that, at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the secured party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other Loan Document with respect to any Collateral.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

**Section 5.01 Representations and Warranties.** The Grantor represents and warrants as follows:

- (a) **Location of Collateral and Places of Business.** The Grantor's place or places of business and the location of the Collateral, including all books and records in respect of Accounts, are set forth in Schedule "A" hereto.
- (b) **Ownership and Title.** The Grantor hereby represents and warrants to the Secured Party that it is the sole, direct, legal and beneficial owner of, and has good marketable title to all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to each item of after-acquired Collateral free and clear of any

mortgages, charges, hypothecs, pledges, trusts, liens, security interests and other claims except for the security interests created by this Agreement and other encumbrances permitted by the Loan Agreement or consented to by the Secured Party.

- (c) **Status.** The Grantor has full power, capacity, authority and legal right to grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement.
- (d) **Binding Obligation.** This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).
- (e) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Grantor to grant a security interest in the Collateral under this Agreement or for the execution and delivery of this Agreement or the performance by the Grantor of its obligations hereunder.
- (f) **No Violation of Laws, Constating Documents, Agreements.** The execution and delivery of this Agreement and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the constating or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.
- (g) **Perfection by Control.** The Grantor has taken all action required on its part for control to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Party has control or possession of all or any part of the Collateral.

## ARTICLE VI

### VOTING, DISTRIBUTIONS AND RECEIVABLES

**Section 6.01 Voting.** Unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement or this Agreement.

**Section 6.02 Distributions.** The Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor.



**Section 6.03 Receivables.** If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, the Grantor shall: (i) notify account debtors of the Secured Party's security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Party.

## **ARTICLE VII COVENANTS**

The Grantor covenants and agrees with the Secured Party as follows:

### **Section 7.01 Covenants.**

- (a) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to the Secured Party under Section 4.03, will be kept at those locations listed in Schedule "A", and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from such locations without obtaining the Secured Party's prior written consent. The Grantor will, before any change described in the preceding sentence, take all actions required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (b) **Dealing with Collateral: No Sale or Encumbrances.** The Grantor will not sell, dispose of, lease, assign or otherwise transfer any of the Collateral except as expressly provided for in the Loan Agreement, in the ordinary course of business or with the prior written consent of the Secured Party. The Grantor will not grant, create, permit or suffer to exist any mortgage, hypothec, pledge, lien, security interest, option, right of first offer, right of first refusal, encumbrance, statutory lien or trust (including any conditional sale or other title retention agreement or finance lease) or other restriction or limitation of any nature whatsoever on the Collateral except as permitted in the Loan Agreement or with the prior written consent of the Secured Party.
- (c) **Maintenance and Protection of Collateral.** The Grantor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party. The Grantor will not use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in good standing. The Grantor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Party therein against the claim or demand of any person claiming against or through the Grantor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
- (d) **Performance of Obligations.** The Grantor will pay promptly when due all rents, taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Grantor shall perform all of its obligations under material agreements, leases, licenses, arrangements to obtain and preserve its rights, powers, licences,

privileges and goodwill thereunder and comply with all applicable laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Grantor's business.

- (e) **Access to Collateral, Inspection.** The Grantor will permit the Secured Party, or its representatives, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Grantor shall, upon request by the Secured Party, provide the Secured Party with any information concerning the Collateral, the Grantor and its business, as the Secured Party may reasonably request, including access to the Grantor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (f) **Notification.** The Grantor shall notify the Secured Party within five business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Grantor, the Collateral or the Grantor's business; and (iii) any material loss or damage to the Collateral or the value of the Collateral.
- (g) **Insurance.** The Grantor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as set out in the Loan Agreement or as the Secured Party may from time to time require. Any insurance proceeds received by the Secured Party may, at the option of the Secured Party, be applied against the Secured Obligations or released to the Grantor without prejudice to any rights or remedies of the Secured Party.

#### ARTICLE VIII

##### SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

**Section 8.01 Survival of Representations and Warranties and Covenants.** All representations, warranties and covenants made by the Grantor in this Agreement shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

#### ARTICLE IX

##### POWER OF ATTORNEY

**Section 9.01 Power of Attorney.** The Grantor hereby constitutes and appoints the Secured Party and any officer or employee of the Secured Party to be the Grantor's true and lawful attorney in accordance with applicable legislation with full power of substitution, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable until the discharge of the security interests created by this Agreement. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.



**ARTICLE X  
SECURED PARTY MAY PERFORM**

**Section 10.01 Secured Party May Perform.** If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Grantor and the performance by the Secured Party shall not waive the rights of the Secured Party to enforce this Agreement.

**ARTICLE XI  
SET-OFF**

**Section 11.01 Set-Off.** Each Secured Party may, without notice to the Grantor or any other person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Grantor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. The Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by the Secured Party.

**ARTICLE XII  
REMEDIES UPON DEFAULT**

**Section 12.01 Right to Accelerate Payment.** Upon the occurrence of an Event of Default that is continuing or ON DEMAND, the Secured Party may, by notice and in accordance with the Loan Agreement, declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Grantor.

**Section 12.02 Enforcement of Security Interest.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

**Section 12.03 Remedies upon Default.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may exercise, without any other notice to or demand upon the Grantor, and in addition to the other rights and remedies provided herein or in any other Loan Document or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Party may assert all rights and remedies of a secured party under the PPSA or other applicable law;
- (b) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;

- (c) the Secured Party may take possession of the Collateral by requiring the Grantor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Party at a place and time to be designated by the Secured Party;
- (d) the Secured Party may take possession of the Collateral by carrying on all or any part of the business of the Grantor; and may to the exclusion of others, including the Grantor, enter upon, occupy and use any of the premises, buildings, plant and undertaking owned, occupied or used by the Grantor and may use any of the tools, machinery, equipment and intangibles of the Grantor for such time as the Secured Party sees fit, free of charge and without liability, in order to carry on the business of the Grantor or to manufacture or complete the manufacture of Inventory and to pack and ship finished products;
- (e) the Secured Party may enter upon and occupy any land and premises owned, leased or occupied by the Grantor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Grantor;
- (f) the Secured Party may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Party may exercise and enforce all rights and remedies of the Grantor with respect to the Collateral including collecting or compromising all or any of the Grantor's Accounts;
- (h) the Secured Party may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Party may deem commercially reasonable;
- (i) the Secured Party may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "Receiver"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this ARTICLE XII;
- (j) the Secured Party may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this Article XII;
- (k) all rights of the Grantor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01; and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.02, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such

voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and

- (l) the Secured Party may retain the Collateral in satisfaction of the Secured Obligations.

**Section 12.04 Receiver Agent of Grantor.** In exercising any powers any such Receiver so appointed shall act as agent of the Grantor and not the Secured Party and Secured Party shall not be in any way responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Party may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

**Section 12.05 Distribution of Proceeds.** Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Party to collect such deficiency.

**Section 12.06 Grantor Pays Expenses.** The Grantor agrees to pay all reasonable expenses incurred by the Secured Party or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered including legal and auditor's fees and expenses and remuneration of any Receiver.

### ARTICLE XIII MISCELLANEOUS

**Section 13.01 No Waiver and Cumulative Remedies.** The Secured Party shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

**Section 13.02 Amendments.** None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

**Section 13.03 Notices.** All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Loan Agreement and shall be given in the manner and become effective as set forth in the Loan Agreement.

**Section 13.04 Continuing Security Interest; Further Actions.** This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 13.06, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and permitted assigns, and (c) enure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party. Without limiting the generality of the foregoing clause (c), any assignee of a Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

**Section 13.05 Assignment.** The Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Secured Party.

**Section 13.06 Termination; Release.** On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Party in its sole discretion), the Secured Party will, at the request and sole expense of the Grantor (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction, release and termination of this Agreement and all related filings and instruments.

**Section 13.07 Acknowledgement.** The Grantor acknowledges receipt of a fully executed copy of this Agreement.

**Section 13.08 Amalgamation.** The Grantor acknowledges that, if it amalgamates with another person, the term Grantor when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Party thereafter arising.

**Section 13.09 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

**Section 13.10 Counterparts.** This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Section 13.11 Conflict with Loan Agreement.** To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor has executed this Agreement as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD., as Grantor**

By: 

Name: Warren Hogg

Title: Director

**SCHEDULE A****LOCATION OF COLLATERAL**

1286 Homer Street Level 3, Vancouver BC, V6B 2Y5



This is **Exhibit "N"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$200,000

August 6, 2021

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of CA Mordy Legacy Trust (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$200,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

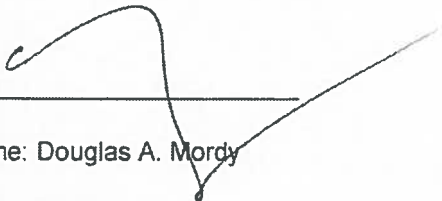
IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:   
Authorized Signatory

Accepted and agreed,

**CA MORDY LEGACY TRUST**

By:   
Name: Douglas A. Mordy  
Title: Trustee

This is **Exhibit "O"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$200,000

January 10, 2023

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of CA Mordy Legacy Trust (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$200,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

ERROR! UNKNOWN DOCUMENT PROPERTY NAME.



power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

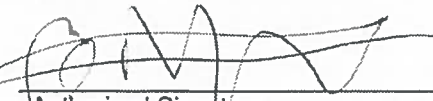
11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

## PROMISSORY NOTE – SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:   
Authorized Signatory

Accepted and agreed,

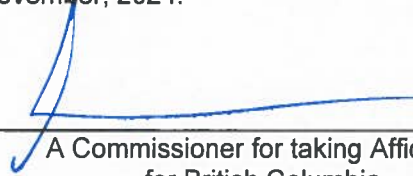
**CA MORDY LEGACY TRUST**

By: 

Name: Douglas A. Mordy

Title: Trustee

This is **Exhibit "P"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$100,000

February 6, 2023

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of **CA Mordy Legacy Trust** (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$100,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By: \_\_\_\_\_

Authorized Signatory

Accepted and agreed,

**CA MORDY LEGACY TRUST**

By: \_\_\_\_\_

Name: Douglas A. Mordy

Title: Trustee



This is **Exhibit "Q"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$75,000

February 9, 2023

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of CA Mordy Legacy Trust (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$75,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By:   
\_\_\_\_\_  
Authorized Signatory

Accepted and agreed,

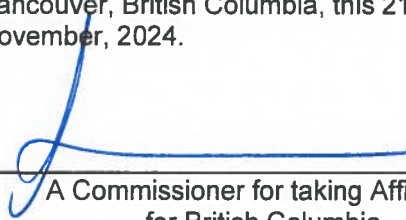
**CA MORDY LEGACY TRUST**

By:   
\_\_\_\_\_

Name: Douglas A. Mordy

Title: Trustee

This is **Exhibit "R"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'J' or 'L' shape followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia

SECURED PROMISSORY NOTE

AMOUNT: CAD\$30,000

DATE OF ISSUE: February 10, 2024

FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD. (the "Borrower") promises to pay to or to the order of the CA Mordy Legacy Trust (the "Lender") the principal sum of \$30,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the "Loan Agreement")), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower's address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. Issuance of Replacement Note - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this "Note") becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. Borrower's Waiver - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. Security - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. 186604Q.
4. Governing Law - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

IN WITNESS WHEREOF the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

FELIX PAYMENT SYSTEMS LTD.

Per:



Authorized Signatory



This is **Exhibit "S"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia

**SECURED PROMISSORY NOTE****AMOUNT: CAD\$31,000****DATE OF ISSUE: February 28, 2024**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the "**Borrower**") promises to pay to or to the order of the CA Mordy Legacy Trust (the "**Lender**") the principal sum of \$31,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the "**Loan Agreement**")), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower's address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

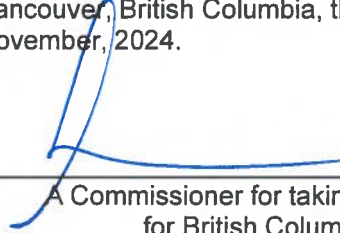
1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this "**Note**") becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower's Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. 186604Q.
4. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**Per: 

Authorized Signatory

This is **Exhibit "T"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

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A Commissioner for taking Affidavits  
for British Columbia

**SECURED DEMAND PROMISSORY NOTE****CDN\$30,000****VANCOUVER, BRITISH COLUMBIA****DATE: MARCH 14, 2024****1. Promise to Pay**

FOR VALUE RECEIVED, **FELIX PAYMENT SYSTEMS LTD.** (the "**Borrower**") unconditionally promises to pay to **CA MORDY LEGACY TRUST**, a trust formed under the laws of the Province of British Columbia (the "**Lender**"), its successors and assigns, or to its order (or at such other address as the Lender shall notify the Borrower), in lawful money of Canada, the amount of **THIRTY THOUSAND DOLLARS (\$30,000)** (the "**Principal Amount**") together with interest on the Principal Amount outstanding from time to time. The Principal Amount and all interest owing thereon shall be due and be paid on demand by the Lender.

For the purposes of this Note, capitalized terms used herein but not otherwise defined shall have the meaning given to such term in the *Personal Property Security Act* (British Columbia).

**2. Interest**

The Principal Amount outstanding at any time, and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**3. Prepayment**

When not in default under this Note, the Borrower shall be entitled to prepay, in whole or in part, the Principal Amount outstanding and any accrued interest, without notice, bonus or penalty, provided that the Borrower deliver to the Lender a notice of prepayment at least seven (7) days prior to the date of repayment.

**4. Security**

In order to secure the due payment of the Principal Amount and all interest owing thereon, the Borrower hereby grants in favour of the Lender a continuing, specific and fixed security interest in all present and after acquired personal property of the Borrower, and all personal property in which the Borrower has or in the future may acquire rights, of whatever nature or kind and wherever situate, including, without limitation, all Goods, Investment Property, Instruments, Accounts, Intangibles, and Money, and all proceeds of the foregoing (the "**Collateral**"). The security interest of the Lender in the Collateral is intended to attach upon the execution of this Note.

The security interest created herein shall not extend or apply to (a) Consumer Goods or (b) the last day of the term of any lease or agreement to lease real property; but upon the enforcement of this Note, the Borrower shall stand possessed of such last day in trust to assign and dispose thereof as the Lender may direct.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

*Warren Hogg*

By: \_\_\_\_\_

Name: Warren Hogg

Title: Director

This is **Exhibit "U"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia



**AMENDED AND RESTATED  
DEMAND LOAN AGREEMENT**

**THIS AMENDED AND RESTATED DEMAND LOAN AGREEMENT** (this "Agreement")  
dated for reference March 27, 2024

**AMONG:**

**THE CA MORDY LEGACY TRUST**, a trust created under the laws of the Province of British Columbia and having an address at 650 – 1188 West Georgia Street, Vancouver, British Columbia, V6E 4A2

(the "Lender")

**AND:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20th Floor, Vancouver, British Columbia, V6C 3R8

(the "Borrower")

**WHEREAS:**

- A. The Borrower is presently indebted to the Lender in the aggregate principal amount of \$666,000.00 (the "**Existing Principal**") and all interest accrued thereon as of the date hereof, being \$158,576.61 (together with the Existing Principal, the "**Existing Indebtedness**"), pursuant to a series of promissory notes issued from time to time by the Borrower in favour of the Lender (collectively, the "**Historical Notes**").
- B. The Borrower and the Lender are party to that certain demand loan agreement dated as of or about February 10, 2024 (the "**Original Loan Agreement**", and together with Historical Notes, the "**Historical Debt Instruments**") in respect of that certain promissory note dated as of February 10, 2024.
- C. As consideration for the March 2024 Advance (as defined below) and the ability to request Subsequent Advances (as defined below) on the terms and conditions set out herein, the Borrower and the Lender have agreed to enter into this Agreement to amend and restate the Historical Debt Instruments and to consolidate the Existing Indebtedness.
- D. The Borrower requires additional borrowings to fund its ongoing operations, and the Lender has agreed to make further advances to the Borrower in accordance with the terms and conditions hereof.

**NOW THEREFORE** the parties agree as follows:

## 1. **Definitions**

- 1.1 When used in this Agreement or in any amendment hereto, the defined terms shall have the meaning assigned to them herein. In this Agreement:
- (a) **"Advance"** has the meaning set out in Section 2.3;
  - (b) **"Applicable Law"** means, in relation to any Person, property, transaction or event, all applicable provisions of: (a) statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, treaties, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case applicable to or binding upon such Person, property, transaction or event.
  - (c) **"Change of Control"** means the acquisition of the Borrower by another Person by means of any transaction or series of related transactions (including any reorganization, amalgamation, arrangement, merger or consolidation or share transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Borrower), unless the Borrower's shareholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 65% of the voting power of the surviving or acquiring entity;
  - (d) **"Conditions Precedent"** has the meaning set out in Section 6.2;
  - (e) **"Event of Default"** has the meaning set out in Section 9.3;
  - (f) **"Existing Indebtedness"** has the meaning set out in the recitals hereto;
  - (g) **"Existing Security"** has the meaning set out in Section 6.1;
  - (h) **"Governmental Authority"** means the government of Canada or of any other nation, or of any political subdivision thereof, whether state, provincial, territorial, local or municipal and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including, without limitation, the Canada Revenue Agency;
  - (i) **"Grid"** has the meaning set out in Section 2.2;
  - (j) **"ITA"** means the *Income Tax Act* (Canada) and regulations promulgated thereunder;

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- (k) **"Historical Debt Instruments"** has the meaning set out in the recitals hereto;
- (l) **"Legal Fees"** has the meaning set out in Section 10;
- (m) **"Loan"** has the meaning set out in Section 6.2;
- (n) **"March 2024 Advance"** has the meaning set out in Section 2.2;
- (o) **"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government, a Governmental Authority or any department or agency thereof, and any other incorporated or unincorporated entity;
- (p) **"Security Documents"** has the meaning set out in Section 6.2;
- (q) **"SRED Claims"** means the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years;
- (r) **"SRED Refunds"** means any federal and provincial cash refund investment tax credits received by the Borrower or its agent in connection with any SRED Claims; and
- (s) **"Subsequent Advance"** has the meaning set out in Section 2.3.

1.2 All dollar amounts in this Agreement are in Canadian dollars.

## 2. Loan

- 2.1 The Borrower acknowledges and confirms the Existing Indebtedness.
- 2.2 The Lender shall, on the terms and conditions of this Agreement, advance to the Borrower the amount of \$15,000.00 (the **"March 2024 Advance"**, and together with the Existing Indebtedness and any Subsequent Advances, the **"Loan"**) which shall be due immediately upon demand.
- 2.3 The Borrower may request subsequent advances (each a **"Subsequent Advance"** and collectively, the **"Subsequent Advances"** as outstanding from time to time), which such Subsequent Advance may be made by the Lender and set forth in the grid attached as Schedule "A" hereto (the **"Grid"**).
- 2.4 Any Subsequent Advance will be made solely at the discretion of the Lender and be due immediately upon demand, and the Lender is under no obligation under this Agreement or otherwise to make any Subsequent Advance to the Borrower.
- 2.5 Any Subsequent Advances and any partial prepayments of the Loan hereunder shall be recorded on the Grid, which may be so amended, supplemented, restated or otherwise modified from time to time by means of an instrument in writing signed by the Lender. Other than in cases of manifest error, the Borrower agrees that the

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entries by the Lender on the Grid of payments shall be prima facie proof of the matters so recorded. The Lender will give the undersigned written confirmation upon request of all notations made by it on the Grid, provided that the failure by the Lender to give such confirmation shall not impair the validity of any notation.

**3. Interest**

The principal amount of the Loan outstanding at any time (which, for greater certainty, includes the Existing Indebtedness, the March 2024 Advance and any Subsequent Advances), and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**4. Purpose**

The Borrower acknowledges that the Loan is for use by the Borrower only and will be used by the Borrower only for business purposes as general working capital and for general corporate requirements.

**5. Repayment Due on Demand**

- 5.1 The Loan (including the Existing Indebtedness) and any portion outstanding thereof will be immediately repayable in full upon demand from the Lender to the Borrower.
- 5.2 The Loan and all interest accrued thereon, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment.
- 5.3 All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

**6. Security**

- 6.1 To secure the payment and performance of the Borrower's obligations under the Existing Indebtedness and all future indebtedness of the Borrower to the Lender, the Borrower granted certain security in favour of the Lender, including that certain general security agreement dated as of February 10, 2024 (the "Existing Security"). The Borrower hereby affirms and confirms the covenants and agreements contained in the Existing Security, affirms and confirms its prior pledges and grants of security on the assets of the Borrower as contemplated thereby to secure all of the Borrower's present and future indebtedness to the Lender, including, for greater certainty, the Loan, and confirms and acknowledges the Existing Security shall continue to be in full force and effect.
- 6.2 As further security for the payment, observance and performance of this Agreement, the Borrower agrees to deliver such other security as the Lender may

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require from time to time, in a form and manner satisfactory to the Lender (such other security, together with the Existing Security, the "Security Documents", and each, a "Security Document").

- 6.3 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrower's obligations hereunder or under any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Loan or the Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to the Loan will affect the liability of the Borrower hereunder and nothing but the actual payment in full to the Lender of the Loan will discharge the Borrower or any of the Security Documents.

## **7. Conditions Precedent**

- 7.1 As conditions precedent (the "Conditions Precedent") to making the March 2024 Advance contemplated by this Agreement available to the Borrower, the Borrower shall provide to the Lender:

- (a) this Agreement duly executed and delivered, and
- (b) the authorizing resolution of all of the directors of the Borrower authorizing the entering into of this Agreement and matters ancillary thereto, in form and substance satisfactory to the Lender.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

- 7.2 The following Conditions Precedent shall apply to any Subsequent Advance made available to the Borrower:

- (a) the Borrower shall be in compliance with all representations, warranties and covenants contained in this Agreement;
- (b) no Event of Default shall have occurred and be continuing; and
- (c) the Security Documents shall continue in effect to create an enforceable security interest in the assets of the Borrower as provide in such Security Documents.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

## **8. Covenants**

- 8.1 The Borrower shall:



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- (a) pay all sums of money when due by it under this Agreement or in respect of the Existing Indebtedness;
- (b) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute a an Event of Default;
- (c) deliver to the Lender at any time there is a change in corporate structure, an updated corporate organizational chart reflecting the corporate organization of the Borrower and any affiliates;
- (d) operate its business in accordance with sound business practices and in material compliance with all Applicable Laws (including those regarding ownership of Persons carrying on the type of business that it carries on), material contracts;
- (e) 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;
- (f) file all tax returns which are filed by it from time to time, to pay or make provision for payment of all taxes (including interest and penalties) when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (g) comply in all material respects with all Applicable Laws;
- (h) comply with all terms and conditions of all insurance policies issued in respect of its assets or operations;
- (i) maintain its existence and maintain its qualification to do business in all jurisdictions where it carries on business;
- (j) keep proper books of account and records;
- (k) maintain itself in good standing and to obtain, as and when required, all permits and contracts that it requires to permit it to acquire, own, operate and maintain its business and property and perform its obligations under this Agreement and the Security Documents;
- (l) maintain, preserve and keep its property, plant and equipment in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained;
- (m) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business



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hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;

- (n) maintain any and all tax obligations of the Borrower with all applicable Governmental Authorities current and in good standing;
- (o) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (p) respond promptly and fully to any request received from a Governmental Authority and any other applicable tax authority;
- (q) immediately notify, or cause the notification of, the Lender of the receipt of any SRED Refunds and the amount thereof;
- (r) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (s) carry on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (t) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the ITA and other applicable legislation and the regulations thereto; and
- (u) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 8.2 The Borrower shall not:

- (a) without the prior written consent of the Lender, make any acquisition or investment in respect of the shares, units or other interests of another Person or all or substantially all of the assets of another Person;
- (b) unless it has first obtained the prior written consent of the Lender, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person, or consent to or facilitate a change in the ownership of its shares;

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- (c) make any change whereby the nature of the business carried on by it would be materially altered;
- (d) (i) declare or pay any dividend, return of capital or other distribution in cash or property other than its own share capital, of, on or in respect of, any of its issued and outstanding capital, (ii) retire, redeem, retract, purchase, or otherwise acquire its own issued capital, reduce its stated capital or make any payment of any kind whatsoever to effect any of the foregoing, (iii) other than the issuance of stock options to eligible persons pursuant to any equity compensation plan currently in effect, pay any bonuses, management or similar fees unless they reflect the fair market value of services actually performed by the payees and no Event of Default has occurred and is continuing, or would result from payment;
- (e) make any payment on any debts owing to any related party;
- (f) make any payment on any subordinated debt;
- (g) create, incur, assume or permit the existence of any debt other than debt existing as of the date hereof or approved by the Lender;
- (h) do anything to adversely affect the validity of the Security Documents;
- (i) make any loans to employees or director, grant any guarantee or financial assistance, assume any contingent liability, make any investment or enter into any transactions with affiliates, except for those currently held and in amounts approved by the Lender;
- (j) enter into, or agree to enter into, any transaction that would result in, or otherwise cause or permit, a Change of Control of the Borrower;
- (k) make any capital expenditure unless such capital expenditure is reviewed and approved by the Lender, such approval not to be unreasonably withheld;
- (l) make any sale, transfer or other disposition of property other than: (i) sales of inventory in the ordinary course of business; (ii) dispositions of worn or obsolete equipment;

8.3 The covenants set forth in Sections 8.1 and 8.2 shall remain in effect and apply so long as the Borrower is indebted to the Lender.

## 9. **Default**

9.1 Upon the occurrence of an Event of Default the Lender may, in its discretion and in addition to any other rights and powers held by the Lender:

- (a) declare the whole or any part of the Loan to be in default and immediately due and payable and thereupon the Loan and all other amounts owing hereunder will immediately become due and payable without presentment,

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demand, protest or notice of any kind, all of which are expressly waived by the Borrower;

- (b) demand payment of the Loan, and all other amounts owing hereunder, from the Borrower; and
- (c) exercise any or all of its remedies under this Agreement and the Security Documents.

For greater certainty, the Lender may immediately demand repayment the Loan and payment of all other amounts owing hereunder at any time notwithstanding that no Event of Default has occurred.

- 9.2 No remedy herein conferred on the Lender is intended to be exclusive and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.
- 9.3 For the purposes of this Agreement, an **"Event of Default"** will mean any one of the following:
  - (a) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement;
  - (b) the Borrower (i) fails to perform or observe any obligation; or (ii) breaches any provision in any material respect of this Agreement or the Security Documents;
  - (c) the Borrower defaults in the payment of any obligation to any Person other than the Lender, or in the performance or observance of any agreement in respect of any such obligation where, as a result of such default, the maturity of such obligation is accelerated and all cure periods have expired;
  - (d) any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;
  - (e) there is, in the reasonable opinion of the Lender, a Change of Control or merger or material adverse change in, or a material adverse effect on, the financial condition, operation or ownership of the Borrower;
  - (f) the Borrower 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;
  - (g) any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower, or (ii) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings

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to enforce, some or all of the debts of any of the Borrower (iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of any of the Borrower, or (iv) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of any of the Borrower;

- (h) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of any of the Borrower or gives notice of its intention to do any of the foregoing;
- (i) a judgment is rendered against the Borrower;
- (j) any provision of this Agreement or any Security Documents becomes invalid or unenforceable for any reason whatsoever, or the Borrower breaches, or is non-compliant with, any provision of any such document;
- (k) any governmental or regulatory approvals or licenses which are material to the business of the Borrower are revoked or suspended for any reason whatsoever; or
- (l) the Borrower defaults on any payment due to the Lender or any affiliate of the Lender, under any other agreement made between the Lender or any such affiliate and the Borrower, which default gives the Lender or such affiliate under the other agreement the right under such other agreement to accelerate the maturity of its debt thereunder, irrespective of whether or not the Lender or such affiliate actually does so.

#### **10. Legal and Other Expenses**

The Borrower shall forthwith pay on demand all of the Lender's legal fees and disbursements and taxes thereon (the "Legal Fees") for the preparation, negotiation and issue of this Agreement, the Security Documents and all other documents required hereby, the administration of the Loan (which may be performed by a third party administrator selected by the Lender but whose expenses are for the Borrower's account) and for all advances made hereunder including all searches and due diligence or cash advances. The Lender may withhold from any Subsequent Advance to pay the Legal Fees. The Borrower shall also pay the Legal Fees of the Lender in respect of the enforcement and preservation of the Lender's rights and remedies under this Agreement, the Security Documents or otherwise. The Borrower's obligations in this Section 10 shall survive the termination of this Agreement.



**11. Representations and Warranties**

- 11.1 The Borrower hereby represents and covenants to the Lender that, as of the date hereof and as of the date of the first Advance and the dates of all subsequent Advances, as applicable:
- (a) it is a corporation duly formed and validly existing and is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or business makes such registration or qualification necessary or desirable and is in good standing as a corporation under its jurisdiction of incorporation;
  - (b) the execution, delivery and performance by it of this Agreement and the Security Documents have been or will be duly authorized by all necessary actions and do not or will violate its constating documents or any Applicable Laws or agreements to which it is subject or by which it is bound and this Agreement and the Security Documents to which it is a party constitute, or will constitute, as applicable, legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their terms;
  - (c) no event has occurred hereunder which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
  - (d) it has filed all tax returns which were required to be filed by it, paid or made provision for payment of all taxes (including interest and penalties) which are due and payable, and provided adequate reserves for payment of any tax, the payment of which is being contested;
  - (e) it has good and marketable title to all of its properties and assets including without limitation all licenses, copyrights, trademarks and other intellectual property;
  - (f) it is in compliance in all material respects with all Applicable Laws;
  - (g) it is in material compliance with all material contracts;
  - (h) no permit is required, nor is any authorization, consent, approval or notice required under any material contract to which it is a party, in connection with its execution, delivery and performance of this Agreement or the Security Documents to which it is or will be a party or the incurrence of obligations under this Agreement or the Security Documents;
  - (i) there has been no event or circumstance that has had or could reasonably be expected to have a material adverse effect on the Borrower's business, or on the Borrower's ability to meet its obligations under this Agreement or the Security Documents;
  - (j) the net realizable value of its assets exceeds its total liabilities and the Borrower is able to meet its obligations as the same become due;

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- (k) there are no litigation proceedings, arbitration proceedings, insolvency proceedings, labour disputes, claims, actions, prosecutions or other proceedings of any kind existing, pending or, to the best of its knowledge, threatened against it, before any court or administrative agency or tribunal of any country which, separately or in the aggregate, could reasonably be expected to materially and adversely affect its financial condition, its assets or operations or its ability to perform its obligations under this Agreement, or the Security Documents;
- (l) it is in compliance with all terms and conditions of all insurance policies issued in respect its assets or operations;
- (m) it has disclosed to the Lender all material facts required to be disclosed pursuant to this Agreement;
- (n) it owns or is licensed or otherwise has the right to use all intellectual property that is necessary for the operation of its business, to its knowledge without material conflict with the rights of any other Person. If it is not the owner of any intellectual property used in its business, its right of use is not subject to termination unless the consequences of termination would not be material;
- (o) it has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations in such a form as would be customarily held by Persons carrying on a similar business or owning similar assets;
- (p) it shall only use the proceeds of the Loan for the purposes outlined in Section 4;
- (q) all material or information submitted by the Borrower is complete and accurate in all material respects and the financial statements, certificates and other information concerning the Borrower's consolidated financial condition provided by the Borrower to the Lender represent fairly in all material respects, the consolidated financial position of the Borrower;
- (r) it has obtained and maintains (by the observance and performance of all obligations thereunder and conditions thereof) all government approvals required for it to carry on business;
- (s) it has disclosed all transactions with any of its affiliates to the Lender;
- (t) it has disclosed to the Lender an accurate corporate organizational chart indicating all of its subsidiaries, if any, and all affiliates;
- (u) the borrower is a Canadian Controlled Private Corporation as defined in the ITA;



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- (v) the Borrower has carried on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims; and
- (w) save for any amounts due to any Governmental Authority which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the ITA, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower.

## 12. Non-Assignment

The Borrower may not assign any of its rights under this Agreement without the consent of the Lender, which consent may be unreasonably withheld. The Lender may assign its rights and obligations under this Agreement and the Security Documents upon written notice thereof to the Borrower and without the consent of the Borrower.

## 13. Criminal Rate of Interest

In no event shall the aggregate "interest" (as defined in Section 347 (the "Criminal Code Section") of the *Criminal Code* (Canada)), payable to the Lender under this Loan Agreement exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Loan Agreement in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

## 14. Interest Act

Each interest rate which is calculated under this Agreement on any basis other than a fully calendar year (the "deemed interest period") is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such results by the actual number of days in the calendar year (365 or 366, as the case may be).

## 15. Amendment

No amendment, waiver or modification of this Agreement or the Security Documents in whole or in part will be enforceable against the Lender unless it is in writing expressed to be a modification of this Agreement or the Security Documents, as the case may be.

**16. Binding Effect**

This Agreement shall be binding on the Borrower and its successors and assigns and shall enure to the benefit of the Lender and its successors and assigns.

**17. Time is of the Essence**

Time is of the essence of this Agreement.

**18. Further Assurances**

The Borrower hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be required by the Lender to implement and carry out the intent of this Agreement.

**19. Governing Law**

This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The courts of British Columbia shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**20. Headings**

The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

**21. Notices**

All notices, demands and payments required or permitted to be given hereunder shall be in writing and may be delivered personally, sent by e-mail or other electronic communication pursuant to procedures approved by the Lender, or may be forwarded by same-day or overnight courier to the addresses set forth on the first page of this Agreement or at such other address or addresses or e-mail addresses as may from time to time be notified in writing by the parties hereto. Any notice delivered or sent by e-mail or other electronic communication shall be deemed to have been given and received at the time of delivery. Any notice couriered as aforesaid shall be deemed to have been given and received on the expiration of 24 hours after it is posted.

**22. Severability**

Should any part of this Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

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**23. Amendment and Restatement**

This Agreement amends and restates the terms of the Historical Debt Instruments such that the Historical Debt Instruments are replaced in their entity by this Agreement.

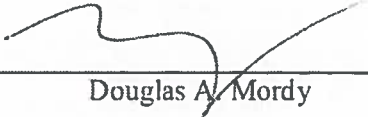
**24. Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Any party hereto may deliver an executed signature page to this Agreement by electronic transmission or DocuSign and such delivery will be as effective as delivery of a manually executed copy of this Agreement by such party.

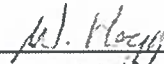
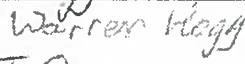

***[Signature Pages Follows]***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**THE CA MORDY LEGACY TRUST,**  
as Lender, by its trustee:

  
\_\_\_\_\_  
Douglas A. Mordy

**FELIX PAYMENT SYSTEMS LTD, as**  
**Borrower:**

By:   
\_\_\_\_\_  
Name:   
Title: 

## SCHEDULE A

## GRID

[illegible]

This is **Exhibit "V"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia



## DEMAND LOAN AGREEMENT

**THIS AGREEMENT** (this "Agreement") dated for reference March 27, 2024,

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the "Borrower")

**AND:**

**DOUGLAS ALAN MORDY**, a businessman with an address of 2901 Brookridge Drive, North Vancouver, BC V7R 3A7

**CANDICE ROSE MORDY**, a businesswoman with an address of 2901 Brookridge Drive, North Vancouver, BC V7R 3A7

**RALPH KURT McFEE**, a businessman with an address of 5114 Ross Street, Vancouver, BC V5W 3K7

**SECTION 3 VENTURES (VCC) INC.**, a British Columbia corporation with an address of 650-1188 West Georgia Street, Vancouver, BC V6E 4A2

**KAPIL NANALAL**, a businessman with an address of 7775 Kentwood St, Burnaby, BC V5A 2E6

(each, a "Lender" and collectively, the "Lenders")

**WHEREAS:**

A. The Lenders (i) have agreed to lend to the Borrower on or around the date hereof loans in the the principal amount set forth in the table below and (i) may, at their discretion and upon request of the Borrower, make future loans to the Borrower in such amounts as each Lender may from time to time determine (collectively, the "Loans" or the "Principal"):

<b>Lender</b>	<b>Initial Loan Amount</b>
Douglas Alan Mordy	\$5,000
Candice Rose Mordy	\$5,000
Ralph Kurt McFee	\$5,000
Section 3 Ventures (VCC) Inc.	\$5,000
Kapil Nanalal	\$5,000

B. As security for the Loans and all other obligations owing by the Borrower to the Lenders, the Borrower has agreed to provide the Lenders with a security agreement dated as of the date hereof and attached hereto as Schedule A (the "Security Agreement") whereby the Borrower

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grants to the Lenders a security interest in all of the Borrower's present and after acquired personal property, including without limitation, the SRED Refunds (as defined below);

C. It is a condition to the Lenders' entering into this Agreement and making the initial Loans that the Borrower enter into this Agreement and the Security Agreement; and

D. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lenders to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

## **1. LOAN**

1.1 **Loan.** The Lenders agree to lend to the Borrower the initial Loans as set forth in Recital A and, in the Lenders' sole discretion, such other Loans as the Borrower may from time to time request and that the Lenders agree to advance.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal amount of the Initial Loans to the Borrower, on the date hereof (the "Closing Date"). Subsequent Loans, if any, shall be advanced by the Lenders directly to the Borrower.

1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the "Interest" and together with the Principal, the "Indebtedness").

1.4 **Secured Promissory Note.** The Loans shall, if requested by any Lender, be evidenced by one or more secured promissory notes (each, a "Promissory Note") issued by the Borrower in favour of the applicable Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lenders at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lenders.

Upon the repayment of the Indebtedness in full, the Lenders will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the "PPR") and any other applicable registry.

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**1.6 Manner of Payments.** All payments to be made by the Borrower to the Lenders under this Agreement shall be made to the Lenders by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lenders as the Lenders may direct from time to time.

**1.7 Criminal Code Compliance.** In this Section 1.7, the terms "interest", "criminal rate" and "credit advanced" have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lenders agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lenders under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

- (a) the elements of return which fall within the term "interest" shall be reduced to the extent necessary to eliminate such excess;
- (b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and
- (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lenders shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## **2. SECURITY**

**2.1** The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "SRED Refunds") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "SRED Claims") in accordance with the terms set out in the Security Agreement (collectively, the "Security").

**2.2** The parties hereby authorize and instruct the Lenders' solicitors, Edwards, Kenny & Bray LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## **3. REPRESENTATIONS AND WARRANTIES**

**3.1** The Borrower hereby makes the following representations and warranties to each Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;

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- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "Act");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("CRA") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and
- (f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with each Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lenders notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lenders any of its books and records and furnish the Lenders with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct



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at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;

(e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;

(f) immediately notify, or cause the notification of, the Lenders of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;

(g) continue to disclose to the Lenders all material information or facts that could materially adversely affect the eligibility of the SRED Claims;

(h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;

(i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## **5. EVENTS OF DEFAULT**

**5.1 Events of Default.** Each of the following events shall constitute an "Event of Default" under this Agreement unless (i) within five (5) days after notice from the Lenders the default specified in such notice has been cured, or (ii) the Lenders agree to waive such default:

(a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lenders when due in the manner provided herein;

(b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;

(c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;

(d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;

(e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or

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(f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

**5.2 Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lenders may do any or all of the following:

(a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or

(b) exercise any and all rights, powers, remedies and recourses available to the Lenders under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lenders from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.

**5.3 Waiver of Default.** The Lenders may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lenders in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lenders would otherwise have. The acceptance by the Lenders of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lenders may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lenders shall have no obligation to make the initial advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lenders):

(a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;



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- (b) satisfactory completion of due diligence by the Lenders, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, any Promissory Notes and all other documents and instruments as required by the Lenders and its legal counsel.

For clarity, no Loans other than the initial advances on or around the date hereof are committed and the Lenders may exercise their discretion in determining whether to advance any further Loans requested by the Borrower.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lenders for all of the Lenders' costs and expenses incurred by the Lenders (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lenders) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lenders, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

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**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lenders may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lenders may have with respect to other loans which may be made to the Borrower or any other claims which any Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lenders. Each Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lenders and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.

**7.11 Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

**7.12 Delivery.** This Agreement, any Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

**7.13 Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

AS EVIDENCE OF THEIR AGREEMENT the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

Per:   
Authorized Signatory

**SECTION 3 VENTURES (VCC) INC.**

Per:   
Authorized Signatory

  
DOUGLAS ALAN MORDY

  
CANDICE ROSE MORDY

  
KAPIL NANALAL

  
RALPH KURT McFEE

**SCHEDULE A  
SECURITY AGREEMENT**

[attached]

This is **Exhibit "W"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia

# **GENERAL SECURITY AGREEMENT**

made by

**FELIX PAYMENT SYSTEMS LTD.**

in favour of

**DOUGLAS ALAN MORDY, CANDICE ROSE MORDY, RALPH KURT McFEE, SECTION 3 VENTURES (VCC) INC. AND KAPIL NANALAL**

dated as of

**March 27, 2024**

This GENERAL SECURITY AGREEMENT, dated as of March 27, 2024 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, this "Agreement"), is made by FELIX PAYMENT SYSTEMS LTD., a British Columbia corporation (the "Grantor"), in favour of (i) DOUGLAS ALAN MORDY, a businessman with an address of 2901 Brookridge Drive, North Vancouver, BC V7R 3A7, (ii) CANDICE ROSE MORDY, a businesswoman with an address of 2901 Brookridge Drive, North Vancouver, BC V7R 3A7, (iii) RALPH KURT McFEE, a businessman with an address of 5114 Ross Street, Vancouver, BC V5W 3K7, (iv) SECTION 3 VENTURES (VCC) INC., a British Columbia corporation with an address of 650-1188 West Georgia Street, Vancouver, BC V6E 4A2 and (v) KAPIL NANALAL, a businessman with an address of 7775 Kentwood St, Burnaby, BC V5A 2E6 (each, a "Secured Party" and collectively, the "Secured Parties").

## **RECITALS**

**WHEREAS**, the Grantor, as borrower, has entered into a Loan Agreement dated as of the date of this Agreement with the Secured Parties (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "Loan Agreement") pursuant to which the Secured Parties have made and will make certain loans available to the Grantor;

**WHEREAS**, this Agreement is given by the Grantor in favour of each Secured Party to secure the payment and performance of all of the Secured Obligations (defined below), including, without limitation, the obligations of the Grantor under the Loan Agreement; and

**WHEREAS**, it is a condition to the effectiveness of the Loan Agreement that the Grantor execute and deliver this Agreement.

**NOW THEREFORE**, in consideration of the Secured Parties entering into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

## **ARTICLE I DEFINITIONS**

### **Section 1.01 Definitions.**

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Loan Agreement. Unless otherwise



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defined herein or in the Loan Agreement, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.

(b) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" is defined in Section 2.01.

"Event of Default" means any event of default as defined in the Loan Agreement.

"Grantor" is defined in the preamble of this Agreement.

"Loan Agreement" is defined in the recitals of this Agreement.

"Loan Document" and "Loan Documents" means the Loan Agreement, this Agreement and any other documents delivered by the Grantor to any Secured Party pursuant to or in connection with the Loan Agreement.

"PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of British Columbia.

"Proceeds" means "proceeds" as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"Secured Obligations" is defined in Section 3.01.

"Secured Party" and "Secured Parties" each are defined in the preamble of this Agreement.

"STA" means the *Securities Transfer Act*, as in effect from time to time in the Province of British Columbia.

**Section 1.02 Interpretation.** Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

## ARTICLE II GRANT OF SECURITY INTEREST

**Section 2.01 Grant of Security Interest.** As security for the payment and performance of the Secured Obligations, the Grantor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to each Secured Party, and hereby creates a general and continuing security interest in favour of each Secured Party in and to all of the Grantor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "Collateral"):

- (a) all present and after-acquired property, assets and undertaking of the Grantor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and any other contract rights or rights to the payment of money;

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- (b) all Proceeds and products of each of the foregoing, including all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Grantor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing;
- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing;
- (f) all federal and provincial cash refund tax investment tax credits received by the Grantor arising as a result of the T661 Scientific and Experimental Development (SR&ED) expenditures claimed by the Grantor for the Grantor's 2023 fiscal year and all subsequent years; and
- (g) the last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Grantor is hereby excepted out of the security interests hereby created, but should any Secured Party need to enforce against the Collateral, the Grantor shall hold the last date in trust for such Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, the collateral does not include any Consumer Goods.

**Section 2.02 Attachment of Security Interest.** The Grantor acknowledges that value has been given, that the Grantor has rights in the Collateral, and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Grantor acknowledges that any security interest created by this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Grantor acquires rights in such after-acquired Collateral.

### ARTICLE III SECURED OBLIGATIONS

**Section 3.01 Secured Obligations.** The Collateral secures the payment and performance of all present and future obligations of the Grantor to any Secured Party from time to time, including without limitation, all present and future obligations of the Grantor, arising under the Loan Agreement, this Agreement and the other Loan Documents or any other agreement between the Grantor and any Secured Party, in each case whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Loan Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, claims under contract, tort or any

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other theory of law, expenses and indemnities (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the "Secured Obligations").

#### **ARTICLE IV PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES**

**Section 4.01 Perfection.** The Grantor shall, from time to time, as may be required by any Secured Party with respect to all Collateral, take all actions as may be reasonably requested by any Secured Party to perfect the security interest of such Secured Party in the Collateral at the sole expense of the Grantor.

**Section 4.02 Intellectual Property.** The Grantor hereby further authorizes each Secured Party to file with the Canadian Intellectual Property Office this Agreement and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interests in Intangibles granted by the Grantor hereunder, without the signature of the Grantor where permitted by law.

**Section 4.03 Chattel Paper, Documents of Title, Instruments.** If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Grantor shall immediately endorse, assign and deliver possession of the same to the Secured Parties for the benefit of the Secured Parties, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Parties may from time to time specify.

**Section 4.04 Control Agreement.** Where Investment Property is held in an account of a securities intermediary, the Grantor shall: (i) enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Parties, the Grantor and said securities intermediary in a form and substance acceptable to the Secured Parties; and (ii) enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Parties, the Grantor and said securities intermediary, in a form and substance acceptable to the Secured Parties.

**Section 4.05 Copy of Verification Statement.** To the extent permitted by law, the Grantor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Parties in connection with the Secured Parties' interest in the Collateral.

**Section 4.06 Further Assurances.** The Grantor agrees that, at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that any Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the Secured Party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other Loan Document with respect to any Collateral.

#### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

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**Section 5.01 Representations and Warranties.** The Grantor represents and warrants as follows:

- (a) **Location of Collateral and Places of Business.** The Grantor's place or places of business and the location of the Collateral, including all books and records in respect of Accounts, are set forth in Schedule "A" hereto.
- (b) **Ownership and Title.** The Grantor hereby represents and warrants to each Secured Party that it is the sole, direct, legal and beneficial owner of, and has good marketable title to all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to each item of after-acquired Collateral free and clear of any mortgages, charges, hypothecs, pledges, trusts, liens, security interests and other claims except for the security interests created by this Agreement and other encumbrances permitted by the Loan Agreement or consented to by the Secured Parties.
- (c) **Status.** The Grantor has full power, capacity, authority and legal right to grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement.
- (d) **Binding Obligation.** This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).
- (e) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Grantor to grant a security interest in the Collateral under this Agreement or for the execution and delivery of this Agreement or the performance by the Grantor of its obligations hereunder.
- (f) **No Violation of Laws, Constatting Documents, Agreements.** The execution and delivery of this Agreement and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the constating or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.
- (g) **Perfection by Control.** The Grantor has taken all action required on its part for control to have been obtained by the Secured Parties over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Parties has control or possession of all or any part of the Collateral.



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**ARTICLE VI  
VOTING, DISTRIBUTIONS AND RECEIVABLES**

**Section 6.01 Voting.** Unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Parties' reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement or this Agreement.

**Section 6.02 Distributions.** The Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor.

**Section 6.03 Receivables.** If any Event of Default shall have occurred and be continuing, the Secured Parties may, or at the request and option of the Secured Parties, the Grantor shall: (i) notify account debtors of the Secured Parties' security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Parties.

**ARTICLE VII  
COVENANTS**

The Grantor covenants and agrees with each Secured Party as follows:

**Section 7.01 Covenants.**

- (a) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to a Secured Party under Section 4.03, will be kept at those locations listed in Schedule "A", and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from such locations without obtaining the Secured Parties' prior written consent. The Grantor will, before any change described in the preceding sentence, take all actions required by the Secured Parties to maintain the perfection and priority of the Secured Parties' security interest in the Collateral.
- (b) **Dealing with Collateral: No Sale or Encumbrances.** The Grantor will not sell, dispose of, lease, assign or otherwise transfer any of the Collateral except as expressly provided for in the Loan Agreement, in the ordinary course of business or with the prior written consent of the Secured Parties. The Grantor will not grant, create, permit or suffer to exist any mortgage, hypothec, pledge, lien, security interest, option, right of first offer, right of first refusal, encumbrance, statutory lien or trust (including any conditional sale or other title retention agreement or finance lease) or other restriction or limitation of any nature whatsoever on the Collateral except as permitted in the Loan Agreement or with the prior written consent of the Secured Parties.
- (c) **Maintenance and Protection of Collateral.** The Grantor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Parties. The Grantor will not

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use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in good standing. The Grantor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Parties therein against the claim or demand of any person claiming against or through the Grantor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.

- (d) **Performance of Obligations.** The Grantor will pay promptly when due all rents, taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Grantor shall perform all of its obligations under material agreements, leases, licenses, arrangements to obtain and preserve its rights, powers, licences, privileges and goodwill thereunder and comply with all applicable laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Grantor's business.
- (e) **Access to Collateral, Inspection.** The Grantor will permit any Secured Party, or its representatives, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Grantor shall, upon request by any Secured Party, provide the Secured Party with any information concerning the Collateral, the Grantor and its business, as the Secured Party may reasonably request, including access to the Grantor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (f) **Notification.** The Grantor shall notify the Secured Parties within five business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Grantor, the Collateral or the Grantor's business; and (iii) any material loss or damage to the Collateral or the value of the Collateral.
- (g) **Insurance.** The Grantor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as set out in the Loan Agreement or as the Secured Parties may from time to time require. Any insurance proceeds received by the Secured Parties may, at the option of the Secured Parties, be applied against the Secured Obligations or released to the Grantor without prejudice to any rights or remedies of the Secured Parties.

#### **ARTICLE VIII**

#### **SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS**

**Section 8.01 Survival of Representations and Warranties and Covenants.** All representations, warranties and covenants made by the Grantor in this Agreement shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

#### **ARTICLE IX**

#### **POWER OF ATTORNEY**



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**Section 9.01 Power of Attorney.** The Grantor hereby constitutes and appoints the Secured Parties and any officer or employee of any Secured Party to be the Grantor's true and lawful attorney in accordance with applicable legislation with full power of substitution, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Parties' discretion to take any action and to execute any instrument which the Secured Parties may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Parties shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable until the discharge of the security interests created by this Agreement. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

#### **ARTICLE X SECURED PARTY MAY PERFORM**

- **Section 10.01 Secured Party May Perform.** If the Grantor fails to perform any obligation contained in this Agreement, any Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; *provided that* such Secured Party shall not be required to perform or discharge any obligation of the Grantor and the performance by any Secured Party shall not waive the rights of the Secured Parties to enforce this Agreement.

#### **ARTICLE XI SET-OFF**

**Section 11.01 Set-Off.** Each Secured Party may, without notice to the Grantor or any other person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Grantor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. Such Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by such Secured Party.

#### **ARTICLE XII REMEDIES UPON DEFAULT**

**Section 12.01 Right to Accelerate Payment.** Upon the occurrence of an Event of Default that is continuing or ON DEMAND, the Secured Parties may, by notice and in accordance with the Loan Agreement, or in accordance with any other document or other claim representing the Secured Obligations, declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Grantor.

**Section 12.02 Enforcement of Security Interest.** Upon the occurrence of an Event of Default that is continuing under the Loan Agreement, or upon the occurrence of any other default or right to payment

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In respect of any other Secured Obligation, the Secured Parties may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

**Section 12.03 Remedies upon Default.** Upon the occurrence of an Event of Default that is continuing, or upon the occurrence of any other default or right to payment in respect of any other Secured Obligation, the Secured Parties may exercise, without any other notice to or demand upon the Grantor, and in addition to the other rights and remedies provided herein or in any other Loan Document or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Parties may assert all rights and remedies of a secured party under the PPSA or other applicable law;
- (b) the Secured Parties may take such steps as considered desirable to maintain, preserve or protect the Collateral or its value;
- (c) the Secured Parties may take possession of the Collateral by requiring the Grantor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Parties at a place and time to be designated by the Secured Parties;
- (d) the Secured Parties may take possession of the Collateral by carrying on all or any part of the business of the Grantor; and may to the exclusion of others, including the Grantor, enter upon, occupy and use any of the premises, buildings, plant and undertaking owned, occupied or used by the Grantor and may use any of the tools, machinery, equipment and intangibles of the Grantor for such time as the Secured Parties see fit, free of charge and without liability, in order to carry on the business of the Grantor or to manufacture or complete the manufacture of inventory and to pack and ship finished products;
- (e) the Secured Parties may enter upon and occupy any land and premises owned, leased or occupied by the Grantor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Grantor;
- (f) the Secured Parties may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Parties may exercise and enforce all rights and remedies of the Grantor with respect to the Collateral including collecting or compromising all or any of the Grantor's Accounts;
- (h) the Secured Parties may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Parties may deem commercially reasonable;

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- (i) the Secured Parties may appoint, by instrument in writing, any person or persons (whether an officer or employee of a Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "Receiver"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Parties under this ARTICLE XII;
- (j) the Secured Parties may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Parties under this Article XII;
- (k) all rights of the Grantor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01; and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.02, shall immediately cease, and all such rights shall thereupon become vested in the Secured Parties, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and
- (l) the Secured Parties may retain the Collateral in satisfaction of the Secured Obligations.

**Section 12.04 Receiver Agent of Grantor.** In exercising any powers any such Receiver so appointed shall act as agent of the Grantor and not the Secured Parties and the Secured Parties shall not be in any way responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Parties may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

**Section 12.05 Distribution of Proceeds.** Any cash held by a Secured Party as Collateral and all cash Proceeds received by the Secured Parties in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Parties to the payment of expenses incurred by the Secured Parties in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Parties shall elect. Any surplus of such cash or cash Proceeds held by the Secured Parties and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Parties to collect such deficiency.

**Section 12.06 Grantor Pays Expenses.** The Grantor agrees to pay all reasonable expenses incurred by the Secured Parties or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered including legal and auditor's fees and expenses and remuneration of any Receiver.

**ARTICLE XIII  
MISCELLANEOUS**

**Section 13.01 No Waiver and Cumulative Remedies.** The Secured Parties shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

**Section 13.02 Amendments.** None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Parties and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

**Section 13.03 Notices.** All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Loan Agreement and shall be given in the manner and become effective as set forth in the Loan Agreement.

**Section 13.04 Continuing Security Interest; Further Actions.** This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 13.06, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and permitted assigns, and (c) enure to the benefit of each Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Parties. Without limiting the generality of the foregoing clause (c), any assignee of a Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

**Section 13.05 Assignment.** Any Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Secured Parties.

**Section 13.06 Termination; Release.** On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Parties in their sole discretion), the Secured Parties will, at the request and sole expense of the Grantor (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Parties, together with any monies at the time held by the Secured Parties hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction, release and termination of this Agreement and all related filings and instruments.

**Section 13.07 Acknowledgement.** The Grantor acknowledges receipt of a fully executed copy of this Agreement.

**Section 13.08 Amalgamation.** The Grantor acknowledges that, if it amalgamates with another person, the term Grantor when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to



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any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Parties at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Parties thereafter arising.

**Section 13.09 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

**Section 13.10 Counterparts.** This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Section 13.11 Conflict with Loan Agreement.** To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

**[SIGNATURE PAGE FOLLOWS]**

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IN WITNESS WHEREOF, the Grantor has executed this Agreement as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD., as Grantor**

By: Warren Hogg  
Name: Warren Hogg  
Title: C.T.O.



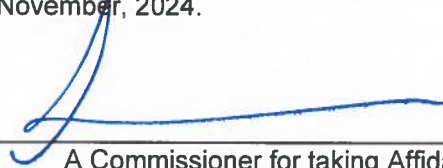
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**SCHEDULE A**

**LOCATION OF COLLATERAL**

**1286 Homer Street Level 3, Vancouver BC, V6B 2Y5**

This is **Exhibit "X"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia

**GENERAL SECURITY AGREEMENT**

made by

**FELIX PAYMENT SYSTEMS LTD.**

in favour of

**CA Mordy Legacy Trust**

dated as of

**February 10, 2024**

This GENERAL SECURITY AGREEMENT, dated as of February 10, 2024 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, this "**Agreement**"), is made by FELIX PAYMENT SYSTEMS LTD., a British Columbia corporation (the "**Grantor**"), in favour of the CA Mordy Legacy Trust (the "**Secured Party**").

**RECITALS**

**WHEREAS**, the Grantor, as borrower has entered into a Demand Loan Agreement dated as of the date of this Agreement with the Secured Party (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**") pursuant to which the Lender have made and will make certain loans available to the Grantor;

**WHEREAS**, this Agreement is given by the Grantor in favour of the Secured Party to secure the payment and performance of all of the Secured Obligations (defined below), including, without limitation, the obligations of the Grantor under the Loan Agreement; and

**WHEREAS**, it is a condition to the effectiveness of the Loan Agreement that the Grantor execute and deliver this Agreement.

**NOW THEREFORE**, in consideration of the Secured Party entering into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

**ARTICLE I**  
**DEFINITIONS**

**Section 1.01 Definitions.**

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Loan Agreement. Unless otherwise defined herein or in the Loan Agreement, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (b) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" is defined in Section 2.01.

"Event of Default" means any event of default as defined in the Loan Agreement.

"Grantor" is defined in the preamble of this Agreement.

"Loan Agreement" is defined in the recitals of this Agreement.

"Loan Document" and "Loan Documents" means the Loan Agreement, this Agreement and any other documents delivered by the Grantor to the Secured Party pursuant to or in connection with the Loan Agreement.

"PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of British Columbia.

"Proceeds" means "proceeds" as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"Secured Obligations" is defined in Section 3.01.

"Secured Party" is defined in the preamble of this Agreement.

"STA" means the *Securities Transfer Act*, as in effect from time to time in the Province of British Columbia.

**Section 1.02 Interpretation.** Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

## ARTICLE II GRANT OF SECURITY INTEREST

**Section 2.01 Grant of Security Interest.** As security for the payment and performance of the Secured Obligations, the Grantor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to the Secured Party, and hereby creates a general and continuing security interest in favour of the Secured Party in and to all of the Grantor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "Collateral"):

- (a) all present and after-acquired property, assets and undertaking of the Grantor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and any other contract rights or rights to the payment of money;
- (b) all Proceeds and products of each of the foregoing, including all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Grantor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing;

- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing;
- (f) all federal and provincial cash refund tax investment tax credits received by the Grantor arising as a result of the T661 Scientific and Experimental Development (SR&ED) expenditures claimed by the Grantor for the Grantor's 2023 fiscal year and all subsequent years; and
- (g) the last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Grantor is hereby excepted out of the security interests hereby created, but should the Secured Party need to enforce against the Collateral, the Grantor shall hold the last date in trust for the Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, the collateral does not include any Consumer Goods.

**Section 2.02 Attachment of Security Interest.** The Grantor acknowledges that value has been given, that the Grantor has rights in the Collateral, and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Grantor acknowledges that any security interest created by this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Grantor acquires rights in such after-acquired Collateral.

### ARTICLE III SECURED OBLIGATIONS

**Section 3.01 Secured Obligations.** The Collateral secures the payment and performance of all present and future obligations of the Grantor to the Secured Party from time to time, including without limitation, all present and future obligations of the Grantor, arising under the Loan Agreement, this Agreement and the other Loan Documents, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Loan Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the "Secured Obligations").

### ARTICLE IV PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES

**Section 4.01 Perfection.** The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be reasonably requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral at the sole expense of the Grantor.

**Section 4.02 Intellectual Property.** The Grantor hereby further authorizes the Secured Party to file with the Canadian Intellectual Property Office this Agreement and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interests in Intangibles granted by the Grantor hereunder, without the signature of the Grantor where permitted by law.

**Section 4.03 Chattel Paper, Documents of Title, Instruments.** If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Grantor shall immediately endorse, assign and deliver possession of the same to the Secured Party for the benefit of the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

**Section 4.04 Control Agreement.** Where Investment Property is held in an account of a securities intermediary, the Grantor shall: (i) enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary in a form and substance acceptable to the Secured Party; and (ii) enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary, in a form and substance acceptable to the Secured Party.

**Section 4.05 Copy of Verification Statement.** To the extent permitted by law, the Grantor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Party in connection with the Secured Party's interest in the Collateral.

**Section 4.06 Further Assurances.** The Grantor agrees that, at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the secured party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other Loan Document with respect to any Collateral.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

**Section 5.01 Representations and Warranties.** The Grantor represents and warrants as follows:

- (a) **Location of Collateral and Places of Business.** The Grantor's place or places of business and the location of the Collateral, including all books and records in respect of Accounts, are set forth in Schedule "A" hereto.
- (b) **Ownership and Title.** The Grantor hereby represents and warrants to the Secured Party that it is the sole, direct, legal and beneficial owner of, and has good marketable title to all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to each item of after-acquired Collateral free and clear of any



mortgages, charges, hypothecs, pledges, trusts, liens, security interests and other claims except for the security interests created by this Agreement and other encumbrances permitted by the Loan Agreement or consented to by the Secured Party.

- (c) **Status.** The Grantor has full power, capacity, authority and legal right to grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement.
- (d) **Binding Obligation.** This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).
- (e) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Grantor to grant a security interest in the Collateral under this Agreement or for the execution and delivery of this Agreement or the performance by the Grantor of its obligations hereunder.
- (f) **No Violation of Laws, Constating Documents, Agreements.** The execution and delivery of this Agreement and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the constating or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.
- (g) **Perfection by Control.** The Grantor has taken all action required on its part for control to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Party has control or possession of all or any part of the Collateral.

## ARTICLE VI

### VOTING, DISTRIBUTIONS AND RECEIVABLES

**Section 6.01 Voting.** Unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement or this Agreement.

**Section 6.02 Distributions.** The Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor.

**Section 6.03 Receivables.** If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, the Grantor shall: (i) notify account debtors of the Secured Party's security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Party.

## ARTICLE VII COVENANTS

The Grantor covenants and agrees with the Secured Party as follows:

### Section 7.01 Covenants.

- (a) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to the Secured Party under Section 4.03, will be kept at those locations listed in Schedule "A", and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from such locations without obtaining the Secured Party's prior written consent. The Grantor will, before any change described in the preceding sentence, take all actions required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (b) **Dealing with Collateral: No Sale or Encumbrances.** The Grantor will not sell, dispose of, lease, assign or otherwise transfer any of the Collateral except as expressly provided for in the Loan Agreement, in the ordinary course of business or with the prior written consent of the Secured Party. The Grantor will not grant, create, permit or suffer to exist any mortgage, hypothec, pledge, lien, security interest, option, right of first offer, right of first refusal, encumbrance, statutory lien or trust (including any conditional sale or other title retention agreement or finance lease) or other restriction or limitation of any nature whatsoever on the Collateral except as permitted in the Loan Agreement or with the prior written consent of the Secured Party.
- (c) **Maintenance and Protection of Collateral.** The Grantor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party. The Grantor will not use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in good standing. The Grantor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Party therein against the claim or demand of any person claiming against or through the Grantor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
- (d) **Performance of Obligations.** The Grantor will pay promptly when due all rents, taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Grantor shall perform all of its obligations under material agreements, leases, licenses, arrangements to obtain and preserve its rights, powers, licences,

privileges and goodwill thereunder and comply with all applicable laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Grantor's business.

- (e) **Access to Collateral, Inspection.** The Grantor will permit the Secured Party, or its representatives, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Grantor shall, upon request by the Secured Party, provide the Secured Party with any information concerning the Collateral, the Grantor and its business, as the Secured Party may reasonably request, including access to the Grantor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (f) **Notification.** The Grantor shall notify the Secured Party within five business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Grantor, the Collateral or the Grantor's business; and (iii) any material loss or damage to the Collateral or the value of the Collateral.
- (g) **Insurance.** The Grantor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as set out in the Loan Agreement or as the Secured Party may from time to time require. Any insurance proceeds received by the Secured Party may, at the option of the Secured Party, be applied against the Secured Obligations or released to the Grantor without prejudice to any rights or remedies of the Secured Party.

#### ARTICLE VIII

##### SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

**Section 8.01 Survival of Representations and Warranties and Covenants.** All representations, warranties and covenants made by the Grantor in this Agreement shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

#### ARTICLE IX

##### POWER OF ATTORNEY

**Section 9.01 Power of Attorney.** The Grantor hereby constitutes and appoints the Secured Party and any officer or employee of the Secured Party to be the Grantor's true and lawful attorney in accordance with applicable legislation with full power of substitution, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable until the discharge of the security interests created by this Agreement. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

**ARTICLE X  
SECURED PARTY MAY PERFORM**

**Section 10.01 Secured Party May Perform.** If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Grantor and the performance by the Secured Party shall not waive the rights of the Secured Party to enforce this Agreement.

**ARTICLE XI  
SET-OFF**

**Section 11.01 Set-Off.** Each Secured Party may, without notice to the Grantor or any other person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Grantor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. The Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by the Secured Party.

**ARTICLE XII  
REMEDIES UPON DEFAULT**

**Section 12.01 Right to Accelerate Payment.** Upon the occurrence of an Event of Default that is continuing or ON DEMAND, the Secured Party may, by notice and in accordance with the Loan Agreement, declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Grantor.

**Section 12.02 Enforcement of Security Interest.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

**Section 12.03 Remedies upon Default.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may exercise, without any other notice to or demand upon the Grantor, and in addition to the other rights and remedies provided herein or in any other Loan Document or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Party may assert all rights and remedies of a secured party under the PPSA or other applicable law;
- (b) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;



- (c) the Secured Party may take possession of the Collateral by requiring the Grantor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Party at a place and time to be designated by the Secured Party;
- (d) the Secured Party may take possession of the Collateral by carrying on all or any part of the business of the Grantor; and may to the exclusion of others, including the Grantor, enter upon, occupy and use any of the premises, buildings, plant and undertaking owned, occupied or used by the Grantor and may use any of the tools, machinery, equipment and intangibles of the Grantor for such time as the Secured Party sees fit, free of charge and without liability, in order to carry on the business of the Grantor or to manufacture or complete the manufacture of Inventory and to pack and ship finished products;
- (e) the Secured Party may enter upon and occupy any land and premises owned, leased or occupied by the Grantor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Grantor;
- (f) the Secured Party may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Party may exercise and enforce all rights and remedies of the Grantor with respect to the Collateral including collecting or compromising all or any of the Grantor's Accounts;
- (h) the Secured Party may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Party may deem commercially reasonable;
- (i) the Secured Party may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this ARTICLE XII;
- (j) the Secured Party may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this Article XII;
- (k) all rights of the Grantor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01; and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.02, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such

voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and

- (l) the Secured Party may retain the Collateral in satisfaction of the Secured Obligations.

**Section 12.04 Receiver Agent of Grantor.** In exercising any powers any such Receiver so appointed shall act as agent of the Grantor and not the Secured Party and Secured Party shall not be in any way responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Party may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

**Section 12.05 Distribution of Proceeds.** Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Party to collect such deficiency.

**Section 12.06 Grantor Pays Expenses.** The Grantor agrees to pay all reasonable expenses incurred by the Secured Party or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered including legal and auditor's fees and expenses and remuneration of any Receiver.

### ARTICLE XIII MISCELLANEOUS

**Section 13.01 No Waiver and Cumulative Remedies.** The Secured Party shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

**Section 13.02 Amendments.** None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

**Section 13.03 Notices.** All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Loan Agreement and shall be given in the manner and become effective as set forth in the Loan Agreement.



**Section 13.04 Continuing Security Interest; Further Actions.** This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 13.06, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and permitted assigns, and (c) enure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party. Without limiting the generality of the foregoing clause (c), any assignee of a Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

**Section 13.05 Assignment.** The Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Secured Party.

**Section 13.06 Termination; Release.** On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Party in its sole discretion), the Secured Party will, at the request and sole expense of the Grantor (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction, release and termination of this Agreement and all related filings and instruments.

**Section 13.07 Acknowledgement.** The Grantor acknowledges receipt of a fully executed copy of this Agreement.

**Section 13.08 Amalgamation.** The Grantor acknowledges that, if it amalgamates with another person, the term Grantor when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Party thereafter arising.

**Section 13.09 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

**Section 13.10 Counterparts.** This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Section 13.11 Conflict with Loan Agreement.** To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor has executed this Agreement as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD., as Grantor**

By: 

Name: Warren Hogg

Title: Director

**SCHEDULE A****LOCATION OF COLLATERAL**

1286 Homer Street Level 3, Vancouver BC, V6B 2Y5

This is **Exhibit "Y"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



A Commissioner for taking Affidavits  
for British Columbia

**DEMAND PROMISSORY NOTE**  
(the "Promissory Note")

AMOUNT: \$200,000

October 7, 2022

1. **Absolute Promise to Pay.** For value received, the undersigned, Felix Payment Systems Ltd. (the "Debtor"), having offices at 1286 Homer St Level 3, Vancouver, BC V6B 2Y5, to pay to the order of Brookridge Chartered Professional Accountants Inc. (the "Creditor") of Vancouver, B.C., in lawful money of Canada the principal sum of \$200,000 (the "Principal Amount"), with interest thereon payable in the manner and according to the terms and conditions set forth in this Promissory Note.
2. **Interest.** The Principal Amount, together with all accrued and unpaid interest thereon, outstanding hereunder from time to time shall bear interest at a rate of 15% per annum compounded annually. Interest shall accrue daily from the date of issuance of this Promissory Note until payment in full of the Principal Amount and all interest accrued thereon has been received by the Creditor, including, without limitation, both before and after demand, default or judgment. Such interest rate shall be calculated on the basis of a 365-day year, or a 366-day year as the case may be, for the actual number of days elapsed. Interest will be payable on the anniversary date of this Note each year. If the amount of any interest is determined or expressed on the basis of a period of less than one year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, the equivalent yearly rate is equal to the rate so determined and expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.
3. **Payment.** The outstanding balance of the Principal Amount and all interest payable thereon shall be repaid in full by the Debtor to the Creditor upon demand by the Creditor. The Debtor shall be entitled to prepay the outstanding balance of the Principal Amount and all interest payable thereon, in whole or in part, at any time prior to demand, without premium or penalty. Any amount paid by the Debtor to the Creditor shall be applied first to payment of interest and, secondly, in reduction of the outstanding balance of the Principal Amount. The Creditor will maintain in accordance with its usual practice one or more accounts or other records evidencing the indebtedness of the Debtor to the Creditor hereunder. Such account(s) or records will be *prima facie* evidence of the outstanding balance of the Principal Amount and interest owing recorded therein, provided that any failure by the Creditor to maintain any account or record, or any error therein, shall not affect the obligation of the Debtor to repay its indebtedness to the Creditor in accordance with this Promissory Note.
4. **Demand.** No notice of any kind shall be required to be given to the Debtor by the Creditor for the purpose of putting the Debtor in default hereunder, the Debtor being in default by the mere lapse of time allowed for the performance of its obligations.
5. **Severability.** If any provision of this Promissory Note is found to be invalid or unenforceable, then the remainder of this Promissory Note will have full force and effect, and the invalid or unenforceable provision will be modified, or partially enforced, to the maximum extent permitted at law to effectuate the original objective.
6. **Waiver.** The Debtor hereby waives presentment and notice of dishonor, protest and notice of protest. No delay by the Creditor in exercising any power or right hereunder will operate as a waiver of

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power or right to preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Creditor and then only to the extent therein set forth.

7. **Amendments.** This Promissory Note may be amended by written agreement of the Debtor and the Creditor from time to time. No amendment, modification or waiver of any provision of this Promissory Note or consent to any departure by the Debtor from any provision of this Promissory Note is effective unless it is in writing and signed by the Creditor, and then such amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given.

8. **Assignment.** The rights of the Debtor under this Promissory Note are declared to be purely personal and therefore are not to be assigned or transferred, nor shall the Debtor assign or transfer any of its obligations, any such assignment being null and void and shall render the outstanding balance of the Principal Amount and any interest accrued thereon, immediately due and payable at the option of the Creditor. The Creditor may assign and transfer this Promissory Note and their rights hereunder and following any such assignment and transfer will provide notice thereof to the Debtor and such assignee and transferee shall be the "Creditor" hereunder for all purposes.

9. **Governing Law.** This Promissory Note shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10. **English Language.** The parties hereto have expressly required that this Promissory Note and all deeds, documents and notices relating thereto be drafted in the English language.

11. **Successors.** The terms of this Promissory Note shall be binding upon the successors and permitted assigns of the Debtor and shall enure to the benefit of the Creditor, its heirs, executors and assigns.

*[Remainder of page left blank intentionally]*



IN WITNESS WHEREOF, the parties have duly executed and delivered this Promissory Note as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

By: 

\_\_\_\_\_  
Authorized Signatory

Accepted and agreed,

**Brookridge Chartered Professional Accountants  
Inc.**

By: 

Name: Douglas A. Mordy

Title: Director

This is **Exhibit "Z"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'J' or 'L' shape followed by a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

**SECURED PROMISSORY NOTE****AMOUNT:** CAD\$10,000**DATE OF ISSUE:** February 10, 2024

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the "Borrower") promises to pay to or to the order of the Brookridge Chartered Professional Accountants Inc. (the "Lender") the principal sum of \$10,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the "Loan Agreement")), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower's address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this "Note") becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower's Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. 186604Q.
4. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per: \_\_\_\_\_

Authorized Signatory

This is **Exhibit "AA"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

**SECURED PROMISSORY NOTE****AMOUNT:** CAD\$13,000**DATE OF ISSUE:** February 28, 2024

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the "**Borrower**") promises to pay to or to the order of the Brookridge Chartered Professional Accountants Inc. (the "**Lender**") the principal sum of \$13,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on the Maturity Date (as defined in the Demand Loan Agreement of even date herewith among the Borrower and the Lender (the "**Loan Agreement**")), upon and subject to the terms and conditions as set out in the Loan Agreement, at the Borrower's address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this "**Note**") becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower's Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. 186604Q.
4. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

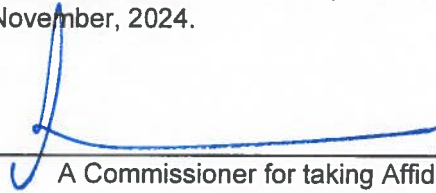
**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per: \_\_\_\_\_


  
Authorized Signatory

This is **Exhibit "BB"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'J' or 'L' shape followed by a horizontal line.

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A Commissioner for taking Affidavits  
for British Columbia



**SECURED DEMAND PROMISSORY NOTE****CDN\$10,000****VANCOUVER, BRITISH COLUMBIA****DATE: MARCH 14, 2024****1. Promise to Pay**

FOR VALUE RECEIVED, **FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) unconditionally promises to pay to **BROOKRIDGE CHARTERED PROFESSIONAL ACCOUNTANTS INC.**, a company incorporated under the laws of the Province of British Columbia (the “**Lender**”), its successors and assigns, or to its order (or at such other address as the Lender shall notify the Borrower), in lawful money of Canada, the amount of **TEN THOUSAND DOLLARS (\$10,000)** (the “**Principal Amount**”) together with interest on the Principal Amount outstanding from time to time. The Principal Amount and all interest owing thereon shall be due and be paid on demand by the Lender.

For the purposes of this Note, capitalized terms used herein but not otherwise defined shall have the meaning given to such term in the *Personal Property Security Act* (British Columbia).

**2. Interest**

The Principal Amount outstanding at any time, and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**3. Prepayment**

When not in default under this Note, the Borrower shall be entitled to prepay, in whole or in part, the Principal Amount outstanding and any accrued interest, without notice, bonus or penalty, provided that the Borrower deliver to the Lender a notice of prepayment at least seven (7) days prior to the date of repayment.

**4. Security**

In order to secure the due payment of the Principal Amount and all interest owing thereon, the Borrower hereby grants in favour of the Lender a continuing, specific and fixed security interest in all present and after acquired personal property of the Borrower, and all personal property in which the Borrower has or in the future may acquire rights, of whatever nature or kind and wherever situate, including, without limitation, all Goods, Investment Property, Instruments, Accounts, Intangibles, and Money, and all proceeds of the foregoing (the “**Collateral**”). The security interest of the Lender in the Collateral is intended to attach upon the execution of this Note.

The security interest created herein shall not extend or apply to (a) Consumer Goods or (b) the last day of the term of any lease or agreement to lease real property; but upon the enforcement of this Note, the Borrower shall stand possessed of such last day in trust to assign and dispose thereof as the Lender may direct.

The security granted by the Borrower to the Lender hereunder is granted in addition to and shall in no event replace or supersede any other security granted by the Borrower to the Lender, including, without limitation, that certain security agreement dated as of or about February 10, 2024 and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration number 186604Q.

## 5. Events of Default

An event of default has occurred and is continuing (each, an “**Event of Default**”) in any one of the following situations:

- (a) the Borrower fails to make payment when due of the Principal Amount outstanding;
- (b) the Borrower is unable to meet its obligations as they generally become due;
- (c) a proceeding in bankruptcy or insolvency of the Borrower, or any proceeding related to protection from creditors, or any proceeding or action is taken for the appointment of a monitor, receiver or trustee for any of its property is filed by or against the Borrower, including any proceeding under the *Bankruptcy and Insolvency Act*, the *Companies’ Creditor’s Arrangement Act*, the *Winding-Up and Restructuring Act* or the *Business Corporations Act*;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of the Borrower; or
- (e) any breach of any covenant, representation, warranty or obligation of the Borrower to the Lender under any other agreement or security granted to the Lender which has not otherwise been waived by the Lender in accordance with the terms of such agreement or security.

## 6. Rights and Remedies

At any time after an Event of Default has occurred , the Lender may, at its option:

- (a) **acceleration upon default** - require the Principal Amount and interest thereon become immediately due and payable in full;
- (b) **appointment of receiver** - appoint by instrument in writing a receiver (which term shall for the purposes of this Note include a receiver and manager or agent) of the Borrower and of all or any part of the Collateral;
- (c) **retain the Collateral** – retain and administer the Collateral in the Lender’s sole and unfettered discretion, which discretion the Borrower acknowledges is commercially reasonable;
- (d) **dispose of the Collateral** – dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Borrower to the extent permitted by law;

- (e) **enforcing third party obligations** – in the Borrower's name, perform, at the Borrower's expense, any and all of the Borrower's obligations or covenants relating to the Collateral and enforce performance by any other parties of its obligations in relation to the Collateral and settle any disputes with other parties upon terms that the Lender deems appropriate, in its discretion;
- (f) **other rights** – exercise any or all other rights and remedies available to the Lender under this Note or applicable law.

In addition, the Borrower shall pay all reasonable costs and expenses, including solicitor fees and court costs, of collecting the outstanding Principal Amount and interest due under this Note and any other reasonable costs and expenses incurred by the Lender in enforcing and preserving its rights hereunder. It is expressly understood and agreed that the rights and remedies of the Lender under this Note are cumulative, non-exclusive and are in addition to and not in substitution for any rights or remedies provided by law or equity.

#### **7. Criminal Rate of Interest**

In no event shall the aggregate "interest" (as defined in Section 347 (the "**Criminal Code Section**") of the *Criminal Code* (Canada)), payable to the Lender under this Note exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Note in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

#### **8. Waiver by the Borrower**

The Borrower hereby waives demand, presentment for payment, notice of non-payment, notice of dishonour, notice of acceleration and notice of protest of this Note and waive any defences based upon indulgences which may be granted by the Lender to any party liable hereon. The Borrower also waives the benefit of any days of grace, and the right to assert in any action or proceeding with regard to this Note any setoffs or counterclaims which the Borrower may have against the Lender.

#### **9. No Waiver by the Lender**

Neither the extension of time for making any payment which is due and payable under this Note at any time or times, nor the failure, delay, or omission of the Lender to exercise or enforce any of its rights or remedies under this Note, shall constitute a waiver by the Lender of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Lender's further exercise of such right or remedy or any other right or remedy.

#### **10. Non-Transferrable**

This Note, including all rights and obligations associated hereunder, shall not be transferrable, except with the prior written consent of the Lender. The Lender may assign its rights under this Note.

#### **11. Further Assurances**

The Borrower and the Lender shall at all times promptly do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Note, and shall promptly provide such further documents or instruments required by the other parties as may be necessary or desirable to effect the purpose of this Note and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, granting control over, confirming or perfecting the security interest in the Collateral and the priority accorded to them by law or under this Note or to enable the Lender to exercise and enforce its rights and remedies hereunder.

#### **12. Severability**

If any provision of this Note is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions of this Note will continue in full force and effect.

#### **13. Issuance of Replacement Note**

The Borrower hereby covenants and agrees with the Lender that if this Note becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.

#### **14. Governing Law and Successors**

This Note is made under and shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in the Province of British Columbia, and shall enure to the benefit of the Lender and its successors (including any successor by reason of amalgamation) and assigns, and shall be binding on the Borrower and its successors (including any successor by reason of amalgamation) and permitted assigns.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

*Warren Hogg*

By: \_\_\_\_\_

Name: Warren Hogg

Title: Director

This is **Exhibit "CC"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia



**AMENDED AND RESTATED  
DEMAND LOAN AGREEMENT**

**THIS AMENDED AND RESTATED DEMAND LOAN AGREEMENT** (this “Agreement”) dated for reference March 27, 2024

**AMONG:**

**BROOKRIDGE CHARTERED PROFESSIONAL ACCOUNTANTS INC.**, a company incorporated under the laws of the Province of British Columbia and having an address at 650 – 1188 West Georgia Street, Vancouver, British Columbia, V6E 4A2

(the “Lender”)

**AND:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20th Floor, Vancouver, British Columbia, V6C 3R8

(the “Borrower”)

**WHEREAS:**

- A. The Borrower is presently indebted to the Lender in the aggregate principal amount of \$233,000.00 (the “Existing Principal”) and all interest accrued thereon as of the date hereof, being \$46,649.59 (together with the Existing Principal, the “Existing Indebtedness”), pursuant to a series of promissory notes issued from time to time by the Borrower in favour of the Lender (collectively, the “Historical Notes”).
- B. The Borrower and the Lender are party to that certain demand loan agreement dated as of or about February 10, 2024 (the “Original Loan Agreement”, and together with Historical Notes, the “Historical Debt Instruments”) in respect of that certain promissory note dated as of February 10, 2024.
- C. As consideration for the March 2024 Advance (as defined below) and the ability to request Subsequent Advances (as defined below) on the terms and conditions set out herein, the Borrower and the Lender have agreed to enter into this Agreement to amend and restate the Historical Debt Instruments and to consolidate the Existing Indebtedness.
- D. The Borrower requires additional borrowings to fund its ongoing operations, and the Lender has agreed to make further advances to the Borrower in accordance with the terms and conditions hereof.

**NOW THEREFORE** the parties agree as follows:

## 1. **Definitions**

- 1.1 When used in this Agreement or in any amendment hereto, the defined terms shall have the meaning assigned to them herein. In this Agreement:
- (a) **"Advance"** has the meaning set out in Section 2.3;
  - (b) **"Applicable Law"** means, in relation to any Person, property, transaction or event, all applicable provisions of: (a) statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, treaties, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority, in each case applicable to or binding upon such Person, property, transaction or event.
  - (c) **"Change of Control"** means the acquisition of the Borrower by another Person by means of any transaction or series of related transactions (including any reorganization, amalgamation, arrangement, merger or consolidation or share transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Borrower), unless the Borrower's shareholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 65% of the voting power of the surviving or acquiring entity;
  - (d) **"Conditions Precedent"** has the meaning set out in Section 6.2;
  - (e) **"Event of Default"** has the meaning set out in Section 9.3;
  - (f) **"Existing Indebtedness"** has the meaning set out in the recitals hereto;
  - (g) **"Existing Security"** has the meaning set out in Section 6.1;
  - (h) **"Governmental Authority"** means the government of Canada or of any other nation, or of any political subdivision thereof, whether state, provincial, territorial, local or municipal and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including, without limitation, the Canada Revenue Agency;
  - (i) **"Grid"** has the meaning set out in Section 2.2;
  - (j) **"ITA"** means the *Income Tax Act* (Canada) and regulations promulgated thereunder;

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- (k) **"Historical Debt Instruments"** has the meaning set out in the recitals hereto;
- (l) **"Legal Fees"** has the meaning set out in Section 10;
- (m) **"Loan"** has the meaning set out in Section 6.2;
- (n) **"March 2024 Advance"** has the meaning set out in Section 2.2;
- (o) **"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government, a Governmental Authority or any department or agency thereof, and any other incorporated or unincorporated entity;
- (p) **"Security Documents"** has the meaning set out in Section 6.2;
- (q) **"SRED Claims"** means the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years;
- (r) **"SRED Refunds"** means any federal and provincial cash refund investment tax credits received by the Borrower or its agent in connection with any SRED Claims; and
- (s) **"Subsequent Advance"** has the meaning set out in Section 2.3.

1.2 All dollar amounts in this Agreement are in Canadian dollars.

## 2. Loan

- 2.1 The Borrower acknowledges and confirms the Existing Indebtedness.
- 2.2 The Lender shall, on the terms and conditions of this Agreement, advance to the Borrower the amount of \$5,000.00 (the **"March 2024 Advance"**, and together with the Existing Indebtedness and any Subsequent Advances, the **"Loan"**) which shall be due immediately upon demand.
- 2.3 The Borrower may request subsequent advances (each a **"Subsequent Advance"** and collectively, the **"Subsequent Advances"** as outstanding from time to time), which such Subsequent Advance may be made by the Lender and set forth in the grid attached as Schedule "A" hereto (the **"Grid"**).
- 2.4 Any Subsequent Advance will be made solely at the discretion of the Lender and be due immediately upon demand, and the Lender is under no obligation under this Agreement or otherwise to make any Subsequent Advance to the Borrower.
- 2.5 Any Subsequent Advances and any partial prepayments of the Loan hereunder shall be recorded on the Grid, which may be so amended, supplemented, restated or otherwise modified from time to time by means of an instrument in writing signed by the Lender. Other than in cases of manifest error, the Borrower agrees that the

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entries by the Lender on the Grid of payments shall be prima facie proof of the matters so recorded. The Lender will give the undersigned written confirmation upon request of all notations made by it on the Grid, provided that the failure by the Lender to give such confirmation shall not impair the validity of any notation.

**3. Interest**

The principal amount of the Loan outstanding at any time (which, for greater certainty, includes the Existing Indebtedness, the March 2024 Advance and any Subsequent Advances), and from time to time, and any overdue interest, shall bear simple interest at 15% per annum, both before and after the maturity, default, demand and judgment, and be calculated monthly, and will be owing on demand.

**4. Purpose**

The Borrower acknowledges that the Loan is for use by the Borrower only and will be used by the Borrower only for business purposes as general working capital and for general corporate requirements.

**5. Repayment Due on Demand**

- 5.1 The Loan (including the Existing Indebtedness) and any portion outstanding thereof will be immediately repayable in full upon demand from the Lender to the Borrower.
- 5.2 The Loan and all interest accrued thereon, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment.
- 5.3 All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

**6. Security**

- 6.1 To secure the payment and performance of the Borrower's obligations under the Existing Indebtedness and all future indebtedness of the Borrower to the Lender, the Borrower granted certain security in favour of the Lender, including that certain general security agreement dated as of February 10, 2024 (the "Existing Security"). The Borrower hereby affirms and confirms the covenants and agreements contained in the Existing Security, affirms and confirms its prior pledges and grants of security on the assets of the Borrower as contemplated thereby to secure all of the Borrower's present and future indebtedness to the Lender, including, for greater certainty, the Loan, and confirms and acknowledges the Existing Security shall continue to be in full force and effect.
- 6.2 As further security for the payment, observance and performance of this Agreement, the Borrower agrees to deliver such other security as the Lender may

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require from time to time, in a form and manner satisfactory to the Lender (such other security, together with the Existing Security, the “**Security Documents**”, and each, a “**Security Document**”).

- 6.3 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrower’s obligations hereunder or under any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Loan or the Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to the Loan will affect the liability of the Borrower hereunder and nothing but the actual payment in full to the Lender of the Loan will discharge the Borrower or any of the Security Documents.

## 7. **Conditions Precedent**

- 7.1 As conditions precedent (the “**Conditions Precedent**”) to making the March 2024 Advance contemplated by this Agreement available to the Borrower, the Borrower shall provide to the Lender:

- (a) this Agreement duly executed and delivered, and
- (b) the authorizing resolution of all of the directors of the Borrower authorizing the entering into of this Agreement and matters ancillary thereto, in form and substance satisfactory to the Lender.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

- 7.2 The following Conditions Precedent shall apply to any Subsequent Advance made available to the Borrower:

- (a) the Borrower shall be in compliance with all representations, warranties and covenants contained in this Agreement;
- (b) no Event of Default shall have occurred and be continuing; and
- (c) the Security Documents shall continue in effect to create an enforceable security interest in the assets of the Borrower as provide in such Security Documents.

The Conditions Precedent are for the sole benefit of the Lender and may be waived by the Lender in whole or in part at any time.

## 8. **Covenants**

- 8.1 The Borrower shall:



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- (a) pay all sums of money when due by it under this Agreement or in respect of the Existing Indebtedness;
- (b) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
- (c) deliver to the Lender at any time there is a change in corporate structure, an updated corporate organizational chart reflecting the corporate organization of the Borrower and any affiliates;
- (d) operate its business in accordance with sound business practices and in material compliance with all Applicable Laws (including those regarding ownership of Persons carrying on the type of business that it carries on), material contracts;
- (e) 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;
- (f) file all tax returns which are filed by it from time to time, to pay or make provision for payment of all taxes (including interest and penalties) when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (g) comply in all material respects with all Applicable Laws;
- (h) comply with all terms and conditions of all insurance policies issued in respect of its assets or operations;
- (i) maintain its existence and maintain its qualification to do business in all jurisdictions where it carries on business;
- (j) keep proper books of account and records;
- (k) maintain itself in good standing and to obtain, as and when required, all permits and contracts that it requires to permit it to acquire, own, operate and maintain its business and property and perform its obligations under this Agreement and the Security Documents;
- (l) maintain, preserve and keep its property, plant and equipment in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained;
- (m) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business



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hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;

- (n) maintain any and all tax obligations of the Borrower with all applicable Governmental Authorities current and in good standing;
- (o) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (p) respond promptly and fully to any request received from a Governmental Authority and any other applicable tax authority;
- (q) immediately notify, or cause the notification of, the Lender of the receipt of any SRED Refunds and the amount thereof;
- (r) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (s) carry on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (t) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the ITA and other applicable legislation and the regulations thereto; and
- (u) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

**8.2 The Borrower shall not:**

- (a) without the prior written consent of the Lender, make any acquisition or investment in respect of the shares, units or other interests of another Person or all or substantially all of the assets of another Person;
- (b) unless it has first obtained the prior written consent of the Lender, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person, or consent to or facilitate a change in the ownership of its shares;

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- (c) make any change whereby the nature of the business carried on by it would be materially altered;
- (d) (i) declare or pay any dividend, return of capital or other distribution in cash or property other than its own share capital, of, on or in respect of, any of its issued and outstanding capital, (ii) retire, redeem, retract, purchase, or otherwise acquire its own issued capital, reduce its stated capital or make any payment of any kind whatsoever to effect any of the foregoing, (iii) other than the issuance of stock options to eligible persons pursuant to any equity compensation plan currently in effect, pay any bonuses, management or similar fees unless they reflect the fair market value of services actually performed by the payees and no Event of Default has occurred and is continuing, or would result from payment;
- (e) make any payment on any debts owing to any related party;
- (f) make any payment on any subordinated debt;
- (g) create, incur, assume or permit the existence of any debt other than debt existing as of the date hereof or approved by the Lender;
- (h) do anything to adversely affect the validity of the Security Documents;
- (i) make any loans to employees or director, grant any guarantee or financial assistance, assume any contingent liability, make any investment or enter into any transactions with affiliates, except for those currently held and in amounts approved by the Lender;
- (j) enter into, or agree to enter into, any transaction that would result in, or otherwise cause or permit, a Change of Control of the Borrower;
- (k) make any capital expenditure unless such capital expenditure is reviewed and approved by the Lender, such approval not to be unreasonably withheld;
- (l) make any sale, transfer or other disposition of property other than: (i) sales of inventory in the ordinary course of business; (ii) dispositions of worn or obsolete equipment;

8.3 The covenants set forth in Sections 8.1 and 8.2 shall remain in effect and apply so long as the Borrower is indebted to the Lender.

## 9. **Default**

9.1 Upon the occurrence of an Event of Default the Lender may, in its discretion and in addition to any other rights and powers held by the Lender:

- (a) declare the whole or any part of the Loan to be in default and immediately due and payable and thereupon the Loan and all other amounts owing hereunder will immediately become due and payable without presentment,

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demand, protest or notice of any kind, all of which are expressly waived by the Borrower;

- (b) demand payment of the Loan, and all other amounts owing hereunder, from the Borrower; and
- (c) exercise any or all of its remedies under this Agreement and the Security Documents.

For greater certainty, the Lender may immediately demand repayment the Loan and payment of all other amounts owing hereunder at any time notwithstanding that no Event of Default has occurred.

- 9.2 No remedy herein conferred on the Lender is intended to be exclusive and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.
- 9.3 For the purposes of this Agreement, an **"Event of Default"** will mean any one of the following:
  - (a) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement;
  - (b) the Borrower (i) fails to perform or observe any obligation; or (ii) breaches any provision in any material respect of this Agreement or the Security Documents;
  - (c) the Borrower defaults in the payment of any obligation to any Person other than the Lender, or in the performance or observance of any agreement in respect of any such obligation where, as a result of such default, the maturity of such obligation is accelerated and all cure periods have expired;
  - (d) any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;
  - (e) there is, in the reasonable opinion of the Lender, a Change of Control or merger or material adverse change in, or a material adverse effect on, the financial condition, operation or ownership of the Borrower;
  - (f) the Borrower 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;
  - (g) any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower, or (ii) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings

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to enforce, some or all of the debts of any of the Borrower (iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of any of the Borrower, or (iv) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of any of the Borrower;

- (h) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of any of the Borrower or gives notice of its intention to do any of the foregoing;
- (i) a judgment is rendered against the Borrower;
- (j) any provision of this Agreement or any Security Documents becomes invalid or unenforceable for any reason whatsoever, or the Borrower breaches, or is non-compliant with, any provision of any such document;
- (k) any governmental or regulatory approvals or licenses which are material to the business of the Borrower are revoked or suspended for any reason whatsoever; or
- (l) the Borrower defaults on any payment due to the Lender or any affiliate of the Lender, under any other agreement made between the Lender or any such affiliate and the Borrower, which default gives the Lender or such affiliate under the other agreement the right under such other agreement to accelerate the maturity of its debt thereunder, irrespective of whether or not the Lender or such affiliate actually does so.

#### **10. Legal and Other Expenses**

The Borrower shall forthwith pay on demand all of the Lender's legal fees and disbursements and taxes thereon (the "Legal Fees") for the preparation, negotiation and issue of this Agreement, the Security Documents and all other documents required hereby, the administration of the Loan (which may be performed by a third party administrator selected by the Lender but whose expenses are for the Borrower's account) and for all advances made hereunder including all searches and due diligence or cash advances. The Lender may withhold from any Subsequent Advance to pay the Legal Fees. The Borrower shall also pay the Legal Fees of the Lender in respect of the enforcement and preservation of the Lender's rights and remedies under this Agreement, the Security Documents or otherwise. The Borrower's obligations in this Section 10 shall survive the termination of this Agreement.



**11. Representations and Warranties**

11.1 The Borrower hereby represents and covenants to the Lender that, as of the date hereof and as of the date of the first Advance and the dates of all subsequent Advances, as applicable:

- (a) it is a corporation duly formed and validly existing and is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or business makes such registration or qualification necessary or desirable and is in good standing as a corporation under its jurisdiction of incorporation;
- (b) the execution, delivery and performance by it of this Agreement and the Security Documents have been or will be duly authorized by all necessary actions and do not or will violate its constituting documents or any Applicable Laws or agreements to which it is subject or by which it is bound and this Agreement and the Security Documents to which it is a party constitute, or will constitute, as applicable, legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their terms;
- (c) no event has occurred hereunder which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
- (d) it has filed all tax returns which were required to be filed by it, paid or made provision for payment of all taxes (including interest and penalties) which are due and payable, and provided adequate reserves for payment of any tax, the payment of which is being contested;
- (e) it has good and marketable title to all of its properties and assets including without limitation all licenses, copyrights, trademarks and other intellectual property;
- (f) it is in compliance in all material respects with all Applicable Laws;
- (g) it is in material compliance with all material contracts;
- (h) no permit is required, nor is any authorization, consent, approval or notice required under any material contract to which it is a party, in connection with its execution, delivery and performance of this Agreement or the Security Documents to which it is or will be a party or the incurrence of obligations under this Agreement or the Security Documents;
- (i) there has been no event or circumstance that has had or could reasonably be expected to have a material adverse effect on the Borrower's business, or on the Borrower's ability to meet its obligations under this Agreement or the Security Documents;
- (j) the net realizable value of its assets exceeds its total liabilities and the Borrower is able to meet its obligations as the same become due;

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- (k) there are no litigation proceedings, arbitration proceedings, insolvency proceedings, labour disputes, claims, actions, prosecutions or other proceedings of any kind existing, pending or, to the best of its knowledge, threatened against it, before any court or administrative agency or tribunal of any country which, separately or in the aggregate, could reasonably be expected to materially and adversely affect its financial condition, its assets or operations or its ability to perform its obligations under this Agreement, or the Security Documents;
- (l) it is in compliance with all terms and conditions of all insurance policies issued in respect its assets or operations;
- (m) it has disclosed to the Lender all material facts required to be disclosed pursuant to this Agreement;
- (n) it owns or is licensed or otherwise has the right to use all intellectual property that is necessary for the operation of its business, to its knowledge without material conflict with the rights of any other Person. If it is not the owner of any intellectual property used in its business, its right of use is not subject to termination unless the consequences of termination would not be material;
- (o) it has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations in such a form as would be customarily held by Persons carrying on a similar business or owning similar assets;
- (p) it shall only use the proceeds of the Loan for the purposes outlined in Section 4;
- (q) all material or information submitted by the Borrower is complete and accurate in all material respects and the financial statements, certificates and other information concerning the Borrower's consolidated financial condition provided by the Borrower to the Lender represent fairly in all material respects, the consolidated financial position of the Borrower;
- (r) it has obtained and maintains (by the observance and performance of all obligations thereunder and conditions thereof) all government approvals required for it to carry on business;
- (s) it has disclosed all transactions with any of its affiliates to the Lender;
- (t) it has disclosed to the Lender an accurate corporate organizational chart indicating all of its subsidiaries, if any, and all affiliates;
- (u) the borrower is a Canadian Controlled Private Corporation as defined in the ITA;



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- (v) the Borrower has carried on its business in a manner that is consistent with the provisions under the ITA and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims; and
- (w) save for any amounts due to any Governmental Authority which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the ITA, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower.

## 12. Non-Assignment

The Borrower may not assign any of its rights under this Agreement without the consent of the Lender, which consent may be unreasonably withheld. The Lender may assign its rights and obligations under this Agreement and the Security Documents upon written notice thereof to the Borrower and without the consent of the Borrower.

## 13. Criminal Rate of Interest

In no event shall the aggregate "interest" (as defined in Section 347 (the "**Criminal Code Section**") of the *Criminal Code* (Canada)), payable to the Lender under this Loan Agreement exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Loan Agreement in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

## 14. Interest Act

Each interest rate which is calculated under this Agreement on any basis other than a fully calendar year (the "deemed interest period") is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such results by the actual number of days in the calendar year (365 or 366, as the case may be).

## 15. Amendment

No amendment, waiver or modification of this Agreement or the Security Documents in whole or in part will be enforceable against the Lender unless it is in writing expressed to be a modification of this Agreement or the Security Documents, as the case may be.

**16. Binding Effect**

This Agreement shall be binding on the Borrower and its successors and assigns and shall enure to the benefit of the Lender and its successors and assigns.

**17. Time is of the Essence**

Time is of the essence of this Agreement.

**18. Further Assurances**

The Borrower hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be required by the Lender to implement and carry out the intent of this Agreement.

**19. Governing Law**

This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The courts of British Columbia shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**20. Headings**

The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

**21. Notices**

All notices, demands and payments required or permitted to be given hereunder shall be in writing and may be delivered personally, sent by e-mail or other electronic communication pursuant to procedures approved by the Lender, or may be forwarded by same-day or overnight courier to the addresses set forth on the first page of this Agreement or at such other address or addresses or e-mail addresses as may from time to time be notified in writing by the parties hereto. Any notice delivered or sent by e-mail or other electronic communication shall be deemed to have been given and received at the time of delivery. Any notice couriered as aforesaid shall be deemed to have been given and received on the expiration of 24 hours after it is posted.

**22. Severability**

Should any part of this Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

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**23. Amendment and Restatement**

This Agreement amends and restates the terms of the Historical Debt Instruments such that the Historical Debt Instruments are replaced in their entity by this Agreement.

**24. Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Any party hereto may deliver an executed signature page to this Agreement by electronic transmission or DocuSign and such delivery will be as effective as delivery of a manually executed copy of this Agreement by such party.

***[Signature Pages Follows]***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**BROOKRIDGE CHARTERED  
PROFESSIONAL ACCOUNTANTS  
INC., as Lender:**

By: 

Name: Douglas A. Mordy  
Title: Authorized Signatory

**FELIX PAYMENT SYSTEMS LTD, as  
Borrower:**

By: 

Name: Warner Hogg  
Title: CTO



This is **Exhibit "DD"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia



**GENERAL SECURITY AGREEMENT**

made by

**FELIX PAYMENT SYSTEMS LTD.**

in favour of

**Brookridge Chartered Professional Accountants Inc.**

dated as of

**February 10, 2024**

This GENERAL SECURITY AGREEMENT, dated as of February 10, 2024 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, this "**Agreement**"), is made by FELIX PAYMENT SYSTEMS LTD., a British Columbia corporation (the "**Grantor**"), in favour of Brookridge Chartered Professional Accountants Inc. (the "**Secured Party**").

**RECITALS**

**WHEREAS**, the Grantor, as borrower has entered into a Demand Loan Agreement dated as of the date of this Agreement with the Secured Party (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**") pursuant to which the Lender have made and will make certain loans available to the Grantor;

**WHEREAS**, this Agreement is given by the Grantor in favour of the Secured Party to secure the payment and performance of all of the Secured Obligations (defined below), including, without limitation, the obligations of the Grantor under the Loan Agreement; and

**WHEREAS**, it is a condition to the effectiveness of the Loan Agreement that the Grantor execute and deliver this Agreement.

**NOW THEREFORE**, in consideration of the Secured Party entering into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

**ARTICLE I**  
**DEFINITIONS**

**Section 1.01 Definitions.**

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Loan Agreement. Unless otherwise defined herein or in the Loan Agreement, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (b) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" is defined in Section 2.01.

"Event of Default" means any event of default as defined in the Loan Agreement.

"Grantor" is defined in the preamble of this Agreement.

"Loan Agreement" is defined in the recitals of this Agreement.

"Loan Document" and "Loan Documents" means the Loan Agreement, this Agreement and any other documents delivered by the Grantor to the Secured Party pursuant to or in connection with the Loan Agreement.

"PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of British Columbia.

"Proceeds" means "proceeds" as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

"Secured Obligations" is defined in Section 3.01.

"Secured Party" is defined in the preamble of this Agreement.

"STA" means the *Securities Transfer Act*, as in effect from time to time in the Province of British Columbia.

**Section 1.02 Interpretation.** Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

## ARTICLE II GRANT OF SECURITY INTEREST

**Section 2.01 Grant of Security Interest.** As security for the payment and performance of the Secured Obligations, the Grantor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to the Secured Party, and hereby creates a general and continuing security interest in favour of the Secured Party in and to all of the Grantor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "**Collateral**"):

- (a) all present and after-acquired property, assets and undertaking of the Grantor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and any other contract rights or rights to the payment of money;
- (b) all Proceeds and products of each of the foregoing, including all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Grantor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing;

- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing;
- (f) all federal and provincial cash refund tax investment tax credits received by the Grantor arising as a result of the T661 Scientific and Experimental Development (SR&ED) expenditures claimed by the Grantor for the Grantor's 2023 fiscal year and all subsequent years; and
- (g) the last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Grantor is hereby excepted out of the security interests hereby created, but should the Secured Party need to enforce against the Collateral, the Grantor shall hold the last date in trust for the Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, the collateral does not include any Consumer Goods.

**Section 2.02 Attachment of Security Interest.** The Grantor acknowledges that value has been given, that the Grantor has rights in the Collateral, and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Grantor acknowledges that any security interest created by this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Grantor acquires rights in such after-acquired Collateral.

### ARTICLE III SECURED OBLIGATIONS

**Section 3.01 Secured Obligations.** The Collateral secures the payment and performance of all present and future obligations of the Grantor to the Secured Party from time to time, including without limitation, all present and future obligations of the Grantor, arising under the Loan Agreement, this Agreement and the other Loan Documents, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Loan Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the "Secured Obligations").

### ARTICLE IV PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES

**Section 4.01 Perfection.** The Grantor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, take all actions as may be reasonably requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral at the sole expense of the Grantor.

**Section 4.02 Intellectual Property.** The Grantor hereby further authorizes the Secured Party to file with the Canadian Intellectual Property Office this Agreement and other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interests in Intangibles granted by the Grantor hereunder, without the signature of the Grantor where permitted by law.

**Section 4.03 Chattel Paper, Documents of Title, Instruments.** If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Grantor shall immediately endorse, assign and deliver possession of the same to the Secured Party for the benefit of the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

**Section 4.04 Control Agreement.** Where Investment Property is held in an account of a securities intermediary, the Grantor shall: (i) enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary in a form and substance acceptable to the Secured Party; and (ii) enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Grantor and said securities intermediary, in a form and substance acceptable to the Secured Party.

**Section 4.05 Copy of Verification Statement.** To the extent permitted by law, the Grantor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Party in connection with the Secured Party's interest in the Collateral.

**Section 4.06 Further Assurances.** The Grantor agrees that, at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the secured party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other Loan Document with respect to any Collateral.

## ARTICLE V REPRESENTATIONS AND WARRANTIES

**Section 5.01 Representations and Warranties.** The Grantor represents and warrants as follows:

- (a) **Location of Collateral and Places of Business.** The Grantor's place or places of business and the location of the Collateral, including all books and records in respect of Accounts, are set forth in Schedule "A" hereto.
- (b) **Ownership and Title.** The Grantor hereby represents and warrants to the Secured Party that it is the sole, direct, legal and beneficial owner of, and has good marketable title to all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to each item of after-acquired Collateral free and clear of any

mortgages, charges, hypothecs, pledges, trusts, liens, security interests and other claims except for the security interests created by this Agreement and other encumbrances permitted by the Loan Agreement or consented to by the Secured Party.

- (c) **Status.** The Grantor has full power, capacity, authority and legal right to grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement.
- (d) **Binding Obligation.** This Agreement has been duly authorized, executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).
- (e) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the Grantor to grant a security interest in the Collateral under this Agreement or for the execution and delivery of this Agreement or the performance by the Grantor of its obligations hereunder.
- (f) **No Violation of Laws, Constating Documents, Agreements.** The execution and delivery of this Agreement and the performance by the Grantor of its obligations hereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Grantor or any of its property, or the constating or governing documents of the Grantor or any agreement or instrument to which the Grantor is party or by which it or its property is bound.
- (g) **Perfection by Control.** The Grantor has taken all action required on its part for control to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Party has control or possession of all or any part of the Collateral.

## ARTICLE VI

### VOTING, DISTRIBUTIONS AND RECEIVABLES

**Section 6.01 Voting.** Unless an Event of Default shall have occurred and be continuing, the Grantor may, to the extent the Grantor has such right as a holder of the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement or this Agreement.

**Section 6.02 Distributions.** The Grantor may, unless an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities, other equity interests or indebtedness owed by any obligor.



**Section 6.03 Receivables.** If any Event of Default shall have occurred and be continuing, the Secured Party may, or at the request and option of the Secured Party, the Grantor shall: (i) notify account debtors of the Secured Party's security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Party.

## ARTICLE VII COVENANTS

The Grantor covenants and agrees with the Secured Party as follows:

### Section 7.01 Covenants.

- (a) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to the Secured Party under Section 4.03, will be kept at those locations listed in Schedule "A", and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from such locations without obtaining the Secured Party's prior written consent. The Grantor will, before any change described in the preceding sentence, take all actions required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (b) **Dealing with Collateral: No Sale or Encumbrances.** The Grantor will not sell, dispose of, lease, assign or otherwise transfer any of the Collateral except as expressly provided for in the Loan Agreement, in the ordinary course of business or with the prior written consent of the Secured Party. The Grantor will not grant, create, permit or suffer to exist any mortgage, hypothec, pledge, lien, security interest, option, right of first offer, right of first refusal, encumbrance, statutory lien or trust (including any conditional sale or other title retention agreement or finance lease) or other restriction or limitation of any nature whatsoever on the Collateral except as permitted in the Loan Agreement or with the prior written consent of the Secured Party.
- (c) **Maintenance and Protection of Collateral.** The Grantor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party. The Grantor will not use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in good standing. The Grantor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Party therein against the claim or demand of any person claiming against or through the Grantor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
- (d) **Performance of Obligations.** The Grantor will pay promptly when due all rents, taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Grantor shall perform all of its obligations under material agreements, leases, licenses, arrangements to obtain and preserve its rights, powers, licences,



privileges and goodwill thereunder and comply with all applicable laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Grantor's business.

- (e) **Access to Collateral, Inspection.** The Grantor will permit the Secured Party, or its representatives, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Grantor shall, upon request by the Secured Party, provide the Secured Party with any information concerning the Collateral, the Grantor and its business, as the Secured Party may reasonably request, including access to the Grantor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (f) **Notification.** The Grantor shall notify the Secured Party within five business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Grantor, the Collateral or the Grantor's business; and (iii) any material loss or damage to the Collateral or the value of the Collateral.
- (g) **Insurance.** The Grantor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as set out in the Loan Agreement or as the Secured Party may from time to time require. Any insurance proceeds received by the Secured Party may, at the option of the Secured Party, be applied against the Secured Obligations or released to the Grantor without prejudice to any rights or remedies of the Secured Party.

#### ARTICLE VIII

##### SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

**Section 8.01 Survival of Representations and Warranties and Covenants.** All representations, warranties and covenants made by the Grantor in this Agreement shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

#### ARTICLE IX

##### POWER OF ATTORNEY

**Section 9.01 Power of Attorney.** The Grantor hereby constitutes and appoints the Secured Party and any officer or employee of the Secured Party to be the Grantor's true and lawful attorney in accordance with applicable legislation with full power of substitution, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to and shall have no liability to the Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable until the discharge of the security interests created by this Agreement. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

**ARTICLE X  
SECURED PARTY MAY PERFORM**

**Section 10.01 Secured Party May Perform.** If the Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Grantor and the performance by the Secured Party shall not waive the rights of the Secured Party to enforce this Agreement.

**ARTICLE XI  
SET-OFF**

**Section 11.01 Set-Off.** Each Secured Party may, without notice to the Grantor or any other person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Grantor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. The Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by the Secured Party.

**ARTICLE XII  
REMEDIES UPON DEFAULT**

**Section 12.01 Right to Accelerate Payment.** Upon the occurrence of an Event of Default that is continuing or ON DEMAND, the Secured Party may, by notice and in accordance with the Loan Agreement, declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Grantor.

**Section 12.02 Enforcement of Security Interest.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

**Section 12.03 Remedies upon Default.** Upon the occurrence of an Event of Default that is continuing, the Secured Party may exercise, without any other notice to or demand upon the Grantor, and in addition to the other rights and remedies provided herein or in any other Loan Document or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Party may assert all rights and remedies of a secured party under the PPSA or other applicable law;
- (b) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;

- (c) the Secured Party may take possession of the Collateral by requiring the Grantor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Party at a place and time to be designated by the Secured Party;
- (d) the Secured Party may take possession of the Collateral by carrying on all or any part of the business of the Grantor; and may to the exclusion of others, including the Grantor, enter upon, occupy and use any of the premises, buildings, plant and undertaking owned, occupied or used by the Grantor and may use any of the tools, machinery, equipment and intangibles of the Grantor for such time as the Secured Party sees fit, free of charge and without liability, in order to carry on the business of the Grantor or to manufacture or complete the manufacture of Inventory and to pack and ship finished products;
- (e) the Secured Party may enter upon and occupy any land and premises owned, leased or occupied by the Grantor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Grantor;
- (f) the Secured Party may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Party may exercise and enforce all rights and remedies of the Grantor with respect to the Collateral including collecting or compromising all or any of the Grantor's Accounts;
- (h) the Secured Party may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Party may deem commercially reasonable;
- (i) the Secured Party may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this ARTICLE XII;
- (j) the Secured Party may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this Article XII;
- (k) all rights of the Grantor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.01; and (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.02, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such

voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and

- (l) the Secured Party may retain the Collateral in satisfaction of the Secured Obligations.

**Section 12.04 Receiver Agent of Grantor.** In exercising any powers any such Receiver so appointed shall act as agent of the Grantor and not the Secured Party and Secured Party shall not be in any way responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Party may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

**Section 12.05 Distribution of Proceeds.** Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus. The Grantor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Party to collect such deficiency.

**Section 12.06 Grantor Pays Expenses.** The Grantor agrees to pay all reasonable expenses incurred by the Secured Party or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered including legal and auditor's fees and expenses and remuneration of any Receiver.

### ARTICLE XIII MISCELLANEOUS

**Section 13.01 No Waiver and Cumulative Remedies.** The Secured Party shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

**Section 13.02 Amendments.** None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

**Section 13.03 Notices.** All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Loan Agreement and shall be given in the manner and become effective as set forth in the Loan Agreement.



**Section 13.04 Continuing Security Interest; Further Actions.** This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 13.06, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and permitted assigns, and (c) enure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party. Without limiting the generality of the foregoing clause (c), any assignee of a Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

**Section 13.05 Assignment.** The Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Secured Party.

**Section 13.06 Termination; Release.** On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Party in its sole discretion), the Secured Party will, at the request and sole expense of the Grantor (a) duly assign, transfer and deliver to or at the direction of the Grantor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction, release and termination of this Agreement and all related filings and instruments.

**Section 13.07 Acknowledgement.** The Grantor acknowledges receipt of a fully executed copy of this Agreement.

**Section 13.08 Amalgamation.** The Grantor acknowledges that, if it amalgamates with another person, the term Grantor when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Party thereafter arising.

**Section 13.09 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

**Section 13.10 Counterparts.** This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Section 13.11 Conflict with Loan Agreement.** To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor has executed this Agreement as of the date first written above.

FELIX PAYMENT SYSTEMS LTD., as Grantor

By: W. Hogg

Name: Warren Hogg


Title: Director



**SCHEDULE A****LOCATION OF COLLATERAL**

1286 Homer Street Level 3, Vancouver BC, V6B 2Y5

This is **Exhibit "EE"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

February 9, 2024

**BY HAND**

Felix Payment Systems Ltd.  
1286 Homer St Level 3  
Vancouver, BC V6B 2Y5

Attn: Warren Hogg, Director

Dear Sir:

**Re: Outstanding Debts from Brookridge Chartered Professional Accountants Inc., Jake Boxer, and the CA Mordy Legacy Trust**

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As we have previously discussed, Felix Payment Systems Ltd. ("Felix") has debts owing to Brookridge Chartered Professional Accountants Inc., Jake Boxer, and the CA Mordy Legacy Trust (the "Creditors") totalling \$1,975,000 that are due on a demand basis (the "Debts").

We are willing to agree to a forbearance of the Debts as outlined below and to lend to the company up to \$300,000 in additional funds, subject to your agreement that the outstanding portion of the Debts, along with any additional loans advanced by the Creditors, will be immediately registered as secured debt and form part of the general security agreement we register against all present and after acquired property of Felix. Our agreement to advance additional funds is contingent on the following conditions being satisfied on each proposed funding date (i) no Insolvency Event occurring with respect to Felix, and (ii) our security continuing to be in full force and effect.

In addition to further loans, we will agree not to demand repayment of any amounts outstanding to any of us for a period ending on the earlier of (i) 90 days from the date hereof and (b) the occurrence of an Insolvency Event with respect to Felix.

The term "Insolvency Event" is defined as the occurrence of any of the following events:

1. The admission in writing by Felix of its inability to pay its debts generally or the making by Felix of an assignment for the benefit of its creditors;
2. The filing by Felix of a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or other similar legislation in the applicable jurisdiction, to some or all of its creditors;
3. The commencement or filing of a petition, notice or application by or against Felix of any proceedings to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law of any jurisdiction, relating to the dissolution, liquidation or winding up, bankruptcy, insolvency, reorganization of insolvent debtors, arrangement of insolvent debtors, readjustment of debt or moratorium of debts, or to obtain an order for relief by the appointment of a receiver, receiver manager, administrator, inspector, liquidator or trustee or other similar official for it or for any substantial part of its property; or

4. Any other creditor of Felix takes or threaten to take any actions in respect of the collection of its debts against Felix or to enforce against any collateral which comprises the security granted to us.

If these terms are acceptable, please acknowledge your agreement below. If these terms are not acceptable, we are unable to continue to lend to Felix and may seek immediate collection of our outstanding debts. We encourage you to seek independent counsel in respect of the arrangements referred to in this letter.

Yours truly,



**Brookridge Chartered Professional Accountants, CA Mordy Legacy Trust, and Jake Boxer**

Acknowledged and Agreed

**Felix Payment Systems Ltd.**



By: Warren Hogg

This is **Exhibit "FF"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [14 February 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$140,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



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1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

- 4 -

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;
- (f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;
- (g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

- 7 -

The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg  
5E7934F709BD479...  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall  
F4A8F864A68F4AB...  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

Per: DocuSigned by:  
Warren Hogg  
5E7394F703BD479  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$140,000****DATE OF ISSUE: [14 FEBRUARY 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of [SR HALL MANAGEMENT LLC] (the “**Lender**”) the principal sum of USD \$140,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:   
Authorized Signatory

This is **Exhibit "GG"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [27 February 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$80,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



- 2 -

1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

(a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;

(b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;

(c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;

(d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;

(e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;

(f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;

(g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;

(h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;

(i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

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(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

- 7 -

The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



- 8 -

7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg  
5E7994F769BD479  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall  
F8A0F6C4A09F4AD  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

Per: DocuSigned by:  
Warren Hogg  
5E7334F783BD479  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$80,000****DATE OF ISSUE: [27 FEBRUARY 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of USD \$80,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:   
Authorized Signatory

This is **Exhibit "HH"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'J' or 'L' shape with a horizontal line extending to the right.

---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [13 March 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$70,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



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1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

- 4 -

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;
- (f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;
- (g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

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The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



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7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 3/13/2024  
3E73B4F703BD479  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall 3/13/2024  
F4A0F8C4A09F4AD  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

Per: DocuSigned by:  
  
3E7394F703B0475 3/13/2024  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$70,000****DATE OF ISSUE: [13 March 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of USD \$70,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

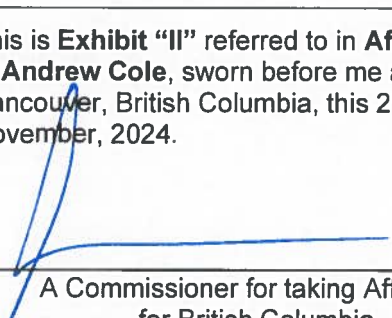
1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 3/13/2024  
6E7394F7838B470...  
Authorized Signatory

This is **Exhibit "II"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [08 April 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$55,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;
- (f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;
- (g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

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The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



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7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 4/16/2024  
5E7204F702BD470...  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall 4/16/2024  
F4A9F8C4A68F4AD...  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 4/16/2024  
5E7994F703BD479  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$55,000****DATE OF ISSUE: [08 April 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of USD \$55,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:  4/16/2024  
Authorized Signatory

This is **Exhibit "JJ"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [10 April 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$135,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;
- (f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;
- (g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

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(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “Event of Default” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors’ Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



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**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

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The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



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7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 4/16/2024  
5E7994F709BD479  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall 4/16/2024  
F4A0F064A69F4AD  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 4/16/2024  
5E7394F793BD478  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$135,000****DATE OF ISSUE: [10 April 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “Borrower”) promises to pay to or to the order of [SR HALL MANAGEMENT LLC] (the “Lender”) the principal sum of USD \$135,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

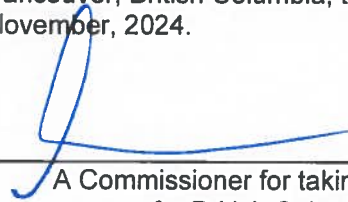
1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:  4/16/2024  
Authorized Signatory

This is **Exhibit "KK"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large loop followed by a horizontal stroke.

---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [26 APRIL 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	\$185,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



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1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

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(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

(a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;

(b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;

(c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;

(d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;

(e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;

(f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;

(g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;

(h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;

(i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

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(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

- (a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;
- (b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;
- (c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;
- (e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or
- (f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or
- (b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



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**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

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The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



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7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 4/30/2024  
SE7394F703BD479  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall 4/30/2024  
F440F864A69F44B  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

Per:  4/30/2024  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$185,000****DATE OF ISSUE: [26 April 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of USD \$185,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:  4/30/2024  
Authorized Signatory

This is **Exhibit "LL"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

## DEMAND LOAN AGREEMENT

**THIS AGREEMENT** (this “**Agreement**”) dated for reference [13 May 2024].

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**[SR Hall Management LLC]**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has agreed to lend to the Borrower the principal amount set forth below (the “**Loans**” or the “**Principal**”):

Lender	Loan Amount
[SR Hall Management LLC]	\$145,000 USD

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all of the Borrower’s present and after acquired personal property, including without limitation, the SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



- 2 -

1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower's 2023 fiscal year and all subsequent years (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

2.2 The parties hereby authorize and instruct the Borrower's solicitors, Fasken Martineau DuMoulin LLP, to file a financing statement on or prior to the Closing Date to register the Security in the PPR.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and

(f) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

(a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;

(b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;

(c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;

(d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;

(e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;

(f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;

(g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;

(h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;

(i) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

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(j) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an “**Event of Default**” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

(a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;

(b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;

(c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;

(d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;

(e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or

(f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 **Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

(a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or

(b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.



**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

- 7 -

The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.

**7.10 Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.



- 8 -

7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

**AS EVIDENCE OF THEIR AGREEMENT** the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 5/22/2024  
5E7994F783DD479...  
Authorized Signatory

**[SR HALL MANAGEMENT LLC]**

DocuSigned by:  
Per: Steve Hall 5/22/2024  
F4A8F864A69F4AD...  
Authorized Signatory

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed for the Borrower’s 2023 fiscal year and all subsequent years (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 5/22/2024  
SE7394P703BD478  
Authorized Signatory

**SECURED PROMISSORY NOTE****AMOUNT: USD \$145,000****DATE OF ISSUE: [13 May 2024]**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of USD \$145,000 in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no. \_\_\_\_\_.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 5/22/2024  
6E7884F788BD478  
Authorized Signatory

This is **Exhibit "MM"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DEMAND LOAN AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) dated for reference August 14<sup>th</sup>, 2024.

**AMONG:**

**FELIX PAYMENT SYSTEMS LTD.**, a company incorporated under the laws of British Columbia and having its registered and records office address at 250 Howe Street, 20<sup>th</sup> Floor, Vancouver (BC), V6C 3R8

(the “**Borrower**”)

**AND:**

**SR Hall Management LLC**, a corporation having an address at [6605 Abercorn Street, Suite 204, Savannah GA 31405 USA]

(“**Lender**”)

**WHEREAS:**

A. The Lender has will lend the Borrower the principal amount set forth below(the “**Loans**” or the “**Principal**”):

<b>Lender</b>	<b>Loan Amount</b>
[SR Hall Management LLC]	<b>\$110,000 USD</b>

B. As security for the Loans, the Borrower has agreed to provide the Lender with a security agreement dated as of the date hereof and attached hereto as Schedule A (the “**Security Agreement**”) whereby the Borrower grants to the Lender a security interest in all the Borrower’s present and after acquired personal property, including without limitation, SRED Refunds (as defined below); and

C. The parties wish to record the terms and conditions of their agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

**1. LOAN**

1.1 **Loan.** The Lender agrees to lend to the Borrower the Principal as set forth in Recital A.

1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender or its counsel shall advance the Principal to the Borrower, on the date hereof (the “**Closing Date**”).



1.3 **Interest.** The outstanding balance of the Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Principal at a simple annual rate of fifteen percent (15%), calculated monthly and payable ON DEMAND (the “**Interest**” and together with the Principal, the “**Indebtedness**”).

1.4 **Secured Promissory Note.** The Loans shall be evidenced by a secured promissory note (the “**Promissory Note**”) issued by the Borrower in favour of the Lender. Repayment under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

(a) the Indebtedness, in whole or in part, may be repaid by the Borrower without penalty or bonus at any time after delivery of a notice of repayment to the Lender at least seven (7) days prior to the date of repayment; and

(b) if the Indebtedness has not been fully repaid pursuant to Section 1.5(a), the outstanding Indebtedness shall be repaid ON DEMAND made by the Lender

Upon the repayment of the Principal and any accrued and unpaid interest up to the date of repayment, the Lender will sign and deliver to the Borrower a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence such repayment and the discharge of the Security (as defined below) and to authorize the filing of any discharge in the Personal Property Registry of British Columbia (the “**PPR**”) and any other applicable registry.

1.6 **Manner of Payments.** All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such accounts of the Lender as the Lender may direct from time to time.

1.7 **Criminal Code Compliance.** In this Section 1.7, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

(a) the elements of return which fall within the term “interest” shall be reduced to the extent necessary to eliminate such excess;

(b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and

(c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

## 2. SECURITY

2.1 The Indebtedness and all other amounts payable in connection therewith shall be secured by a security interest in all of the Borrower's present and after acquired personal property, including without limitation, any federal and provincial cash refund investment tax credits received by the Borrower or its agents (the "**SRED Refunds**") arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures. (the "**SRED Claims**") in accordance with the terms set out in the Security Agreement (collectively, the "**Security**").

## 3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties to the Lender as of the Closing Date:

- (a) the Borrower is duly organized and it is in good standing under the laws of British Columbia;
- (b) the place of business of the Borrower, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada) (the "**Act**");
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (e) The Borrower has terminated Ross Smith from his employment and Ross Smith is no longer on the Borrower's payroll.
- (f) save for any amounts due to Canada Revenue Agency ("**CRA**") which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which that party is required to deduct at source, pay and/or remit by or on behalf of itself or otherwise under any legislation including the Act, *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), all applicable provincial legislation or any regulations to the foregoing or under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower; and
- (g) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement, the Security Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate

proceedings of the Borrower, and will not cause a breach of or constitute a default under the constating documents of the Borrower or any agreement or instrument to which the Borrower is a party.

#### 4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Indebtedness or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, upon reasonable notice and during normal business hours, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) maintain any and all tax obligations of the Borrower with CRA and any other applicable tax authority current and in good standing;
- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(f) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) respond promptly and fully to any request received from the CRA and any other applicable tax authority;
- (f) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Refunds described in Section 1.5 above and the amount thereof;
- (g) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claims;
- (h) carry on its business in a manner that is consistent with the provisions under the Act and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claims;
- (i) incur no further debt obligations that would rank in priority to the Lender's security interest without the prior express written consent of the Lender.
- (j) provide within seven (7) days of the advancement of the advance of the Principal to the Borrower a schedule of outstanding secured debt of the Borrower with accrued interest.

(k) prepare and file, or cause the preparation and filing of, the SRED Claims in a professional and diligent manner and in full compliance with the requirements and provisions of the Act and other applicable legislation and the regulations thereto; and

(l) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the SRED Refunds, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of the SRED Refunds.

## 5. EVENTS OF DEFAULT

**5.1 Events of Default.** Each of the following events shall constitute an “Event of Default” under this Agreement unless (i) within five (5) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agree to waive such default:

(a) the Borrower fails to repay the Indebtedness, or any part thereof, to the Lender when due in the manner provided herein;

(b) any of the representations and warranties made in Section 3 above are incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of the SRED Claims;

(c) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;

(d) an order is made or a resolution is passed for the liquidation or winding-up of any of the Borrower;

(e) the Security or the security interest created therein becomes invalid, unenforceable or unperfected; or

(f) the Borrower admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

**5.2 Remedies For Events of Default.** Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

(a) declare immediately due and payable the outstanding balance of the Indebtedness without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived; or

(b) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.



Nothing contained in this Agreement shall be interpreted to prevent or constrain the Lender from making a demand for repayment of any or all of the Indebtedness at any time in accordance with Section 1.5 hereof.

**5.3 Waiver of Default.** The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

**5.4 No Waiver.** No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Indebtedness after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

## **6. CONDITIONS PRECEDENT**

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claims;
- (c) any and all tax obligations of the Borrower with CRA and any other applicable tax authority remaining current and in good standing;
- (d) execution and delivery of the Security Agreement and registration of the Security at the PPR and other applicable public registry in any applicable jurisdictions in order to perfect the Security; and
- (e) execution and delivery of this Agreement, the Security Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel.

## **7. GENERAL**

**7.1 Expenses.** The Borrower shall reimburse the Lender for all of the Lender's costs and expenses incurred by the Lender (including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Lender) in connection with the negotiation,

preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date, which amounts may, at the option of the Lender, be (i) added to the Principal amount outstanding hereunder or (ii) be deducted from the proceeds of the Loans.

The Borrower shall bear its own costs and expenses incurred by it including any legal fees, professional fees, disbursements and out-of-pocket costs of legal counsel retained by the Borrower) in connection with the negotiation, preparation and execution of this Agreement and any documents necessary to give effect to this Agreement at the Closing Date

**7.2 Currency.** All references to dollars or currency in this Agreement are to Canadian dollars, unless otherwise specified.

**7.3 Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**7.4 Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**7.5 Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

**7.6 Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

**7.7 Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

**7.8 No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Indebtedness hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower or any other claims which the Lender or any of its affiliates may have against the Borrower.

**7.9 Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder unless with the prior written consent of the Lender. The Lender may assign or transfer any or all of its rights or obligations hereunder without the prior consent of the Borrower.



7.10 **Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective permitted assigns, successors, executors, administrators, and personal representatives, as applicable.

7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security Agreement, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement, the Promissory Note, the Security Agreement and all collateral documentation, may be executed in counterparts and delivered by docusign, adobesign, facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed and delivered an original copy of the same document and all counterparts will be construed together as one and the same agreement.

7.13 **Time.** Time shall be of the essence of this Agreement.

*[The remainder of this page has been left intentionally blank.]*

AS EVIDENCE OF THEIR AGREEMENT the parties hereto have caused this Agreement to be executed and delivered as of date first written above.

**FELIX PAYMENT SYSTEMS LTD.**

Per: DocuSigned by: Warren Hogg 8/14/2024  
5E7994F709DD479  
Authorized Signatory  
Warren Hogg

**[SR HALL MANAGEMENT LLC]**

Per: DocuSigned by: Steve Hall 8/15/2024  
F4A8F8C4A60F4AD  
Authorized Signatory  
Steve Hall

**SCHEDULE A  
SECURITY AGREEMENT**

**FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) mortgages and charges in favour of the Lender (as defined in the Loan Agreement to which this Schedule A is attached), and grants to the Lender a security interest in all of the Borrower’s personal and after acquired personal property including but not limited to federal and provincial cash refund investment tax credits received by the Borrower arising as a result of the T661 Scientific Research and Experimental Development (SR&ED) expenditures claims claimed by the Borrower’s (collectively, the “**Charged Property**”) to secure payment and performance of all present debts, liabilities and other obligations of the Borrower to the Lender in respect of the indebtedness outstanding at any time under the Secured Promissory Note issued by the Borrower to the Lender on or about the date hereof (collectively, the “**Secured Obligations**”).

The Borrower will not sell, lease or otherwise dispose of any Charged Property except that, until default, the Borrower may deal with inventory, accounts and money in the ordinary course of business. The Borrower will not allow the Borrower’s main place of business to be located outside of British Columbia, nor will the Borrower change its name or have any other form of name (except upon 10 days’ prior written notice to the Lender).

The Borrower will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Lender in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Lender will have all the rights and remedies of a secured party under the *British Columbia Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “**Receiver**”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Lender (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Lender and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Lender nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any securities, instruments or chattel paper now or hereafter in its possession.

**IN WITNESS WHEREOF** the Borrower, intending to be legally bound, has executed this Security Agreement as of the date of the Loan Agreement.

**FELIX PAYMENT SYSTEMS LTD.**

DocuSigned by:  
Per: Warren Hogg 8/14/2024  
5E7394F703BD479  
Authorized Signatory  
warren Hogg

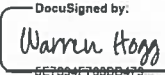
**SECURED PROMISSORY NOTE****AMOUNT:** **USD \$110,000****DATE OF ISSUE:** **August 14<sup>th</sup>, 2024**

**FOR VALUE RECEIVED, FELIX PAYMENT SYSTEMS LTD.** (the “**Borrower**”) promises to pay to or to the order of **[SR HALL MANAGEMENT LLC]** (the “**Lender**”) the principal sum of **USD \$110,000** in lawful currency of Canada and interest thereon at a simple annual rate of fifteen percent (15%), calculated monthly and payable on demand, upon and subject to the terms and conditions as set out in the Loan Agreement of even date herewith among, *inter alios*, the Borrower and the Lender (the “**Loan Agreement**”), at the Borrower’s address set out on the first page of the Loan Agreement and subject to the following additional terms and conditions:

1. **Issuance of Replacement Note** - The Borrower hereby covenants and agrees with the Lender that if this secured promissory note (this “**Note**”) becomes mutilated, lost, destroyed or stolen, the Borrower shall, upon receipt of a declaration of loss from the Lender in a form satisfactory to the Borrower, issue and deliver to the Lender a new secured promissory note of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed or stolen secured promissory note.
2. **Borrower’s Waiver** - Subject to the terms of the Loan Agreement, the Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.
3. **Security** - This Note shall be secured by the Borrower by a security agreement dated on or about the date hereof granted by the Company in favour of the Lender and certain other lenders of the Company and registered by way of a financing statement in the British Columbia Personal Property Registry under base registration no 5590030.
4. **Transferability** - This Note is not transferable except as set out in Article 8 of the Loan Agreement.
5. **Governing Law** - This Note (and any transactions, documents, instruments or other agreements contemplated in this Note) shall be construed and governed exclusively by the laws in force in British Columbia and the laws of Canada applicable therein, and the courts of British Columbia (and Supreme Court of Canada, if necessary) shall have exclusive jurisdiction to hear and determine all disputes arising hereunder.

**IN WITNESS WHEREOF** the Borrower has caused its respective duly authorized signatory to execute and deliver this Note to the Lender as of the day and year first above written.

**FELIX PAYMENT SYSTEMS LTD.**

Per:  8/14/2024  
Authorized Signatory  
Warren Hogg

This is **Exhibit "NN"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, appearing to be 'A', is written over a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

## LOAN AGREEMENT AND PROMISSORY NOTE

**THIS LOAN AGREEMENT AND PROMISSORY NOTE** (the "Note") is made and entered into this \_\_\_ day of October, 2021, (the "Effective Date") by and between the following parties:

- **BBSG HALL INVESTMENTS LLC**, incorporated under the laws of the state of Georgia, with a place of business at 6605 Abercorn Street Suite 204, Savannah, Georgia 31405 (herein referred to as "LENDER"); and
- **FELIX PAYMENT SYSTEMS LTD.**, incorporated under the laws of the BC Canada, with a place of business at Level 3 1286 Homer St, Vancouver, BC V6B 2Y5 (herein after referred to as "BORROWER", and collectively with LENDER hereinafter referred to as "the Parties").

### PROMISSORY NOTE

FOR VALUE RECEIVED, BORROWER promises to repay to the order of LENDER, USD two million (\$2,000,000.00) in addition to interest at a rate of 12 percent (%) per annum per the terms defined below.

### LOAN TERMS

The BORROWER and LENDER, hereby further set forth their rights and obligations to one another under this Loan Agreement and Promissory Note and agree to be legal bound as follows:

- A. **Principal Loan Amount: \$2,000,000.00**
- B. **Due Date: October 6, 2023**
- C. **Loan Interest Terms.**  
The BORROWER undertakes to pay interest at a rate of twelve percent (12%) per annum on the outstanding principal amount of the Loan, from the date of February 1, 2022, until the Principal Loan Amount is repaid. Interest shall be payable monthly.
- D. **Loan Repayment Terms.**  
BORROWER may prepay the principal amount outstanding, in full or in part, at any time without any prepayment penalty.
- E. **Security Interest.**  
BORROWER hereby unconditionally grants and assigns to the LENDER two percent (2%) of the shares of Felix Payment Systems LTD.
- F. **Loan Assignment by Borrower.**  
Subject to the prior notification to LENDER, BORROWER may assign its liabilities under this Agreement to its joint venture partner MaxaFi Holdings LLC.
- G. **Method of Loan Payment.**  
The BORROWER shall make all payments called for under this loan agreement by sending check or other negotiable instrument made payable to the following individual or entity at the address indicated:

BBSG Hall Investments LLC  
6605 Abercorn Street Suite 204  
Savannah Ga. 31405



If LENDER gives written notice to BORROWER that a different address shall be used for making payments under this loan agreement, BORROWER shall use the new address so given by LENDER.

**H. Default.**

The occurrence of any of the following events shall constitute a Default by the BORROWER of the terms of this loan agreement and promissory note:

1. BORROWER'S failure to pay any amount due as principal or interest on the date required under this loan agreement.
2. BORROWER seeks an order of relief under the Federal Bankruptcy laws.

**I. Additional Provisions Regarding Default.**

1. Addressee and Address to which LENDER is to give BORROWER written notice of default:

Felix Payment Systems LTD  
Level 3 1286 Homer Street  
Vancouver, BC V6B 2Y5

If BORROWER gives written notice to LENDER that a different address shall be used, LENDER shall use that address for giving notice of default (or any other notice called for herein) to BORROWER.

2. **Cure of Default.** Upon default, LENDER shall give BORROWER written notice of default. Mailing of written notice by LENDER to BORROWER via U.S. Postal Service Certified Mail shall constitute prima facie evidence of delivery. BORROWER shall have 15 days after receipt of written notice of default from LENDER to cure said default. In the case of default due solely to BORROWER'S failure to make timely interest payments as called for in this loan agreement, BORROWER may cure the default by making full payment of any accrued interest whose payment to LENDER is overdue under the loan agreement and, also, the late-payment penalty described below.
3. **Penalty for Late Payment.** There shall also be imposed upon BORROWER a 2% penalty for any late payment computed upon the amount of any principal and accrued interest whose payment to LENDER is overdue under this loan agreement and for which LENDER has delivered a notice of default to BORROWER.
4. **Indemnification of Attorney's Fees and Out-of-Pocket Costs.** Should any party materially breach this agreement, the non-breaching party shall be indemnified by the breaching party for its reasonable attorney's fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this agreement. The term "out-of-pocket costs", as used herein, shall not include lost profits. A default by BORROWER which is not cured within 15 days after receiving a written notice of default from LENDER constitutes a material breach of this agreement by BORROWER.

**J. Parties That Are Not Individuals.**

If any Party to this agreement is other than an individual (i.e., a corporation, a Limited Liability Company, a Partnership, or a Trust), said Party, and the individual signing on behalf of said Party, hereby represents and warrants that all steps and actions have been taken under the entity's governing instruments to authorize the entry into this Loan Agreement. Breach of any representation contained in this paragraph is considered a material breach of the Loan Agreement.

**K. Integration.**

This Agreement, including the attachments mentioned in the body as incorporated by reference, sets forth the entire agreement between the Parties with regard to the subject matter hereof. All prior agreements, representations and warranties, express or implied, oral or written, with respect to the subject matter hereof, are superseded by this agreement. This is an integrated agreement.

**L. Severability.**

In the event any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

**M. Modification.**

Except as otherwise provided in this document, this agreement may be modified, superseded, or voided only upon the written and signed agreement of the Parties. Further, the physical destruction or loss of this document shall not be construed as a modification or termination of the agreement contained herein.

**N. Exclusive Jurisdiction for Suit in Case of Breach.**

The Parties, by entering into this agreement, submit to jurisdiction in State of Nevada for adjudication of any disputes and/or claims between the Parties under this agreement. Furthermore, the Parties hereby agree that the courts of State of Pennsylvania shall have exclusive jurisdiction over any disputes between the parties relative to this agreement, whether said disputes sounds in contract, tort, or other areas of the law.

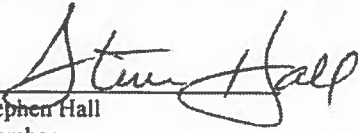
**O. State Law.**

This Agreement shall be interpreted under, and governed by, the laws of the State of Georgia.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing, XX and XX hereto have executed this Agreement as of the date first written above.

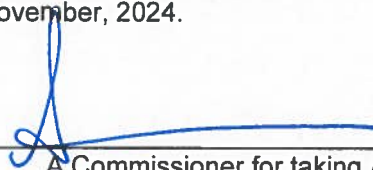
**LENDER: BBSG Hall Investments LLC**

  
\_\_\_\_\_  
Stephen Hall  
Member

**BORROWER: Felix Payment Systems, LTD.**

\_\_\_\_\_  
Owen Newport  
Chief Executive Officer

This is **Exhibit "OO"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large loop followed by a horizontal stroke.

A Commissioner for taking Affidavits  
for British Columbia

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE HEREOF, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED HEREBY AND THOSE ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT (AS HEREINAFTER DEFINED), OR QUALIFIED OR REGISTERED UNDER U.S. STATE SECURITIES OR "BLUE SKY" LAWS AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

**Felix Payment Systems Ltd.**  
**(Simple Agreement for Future Equity)**

THIS CERTIFIES THAT in exchange for the payment by **BBSG** (the "Investor") of **1,000,000 USD** (the "**Purchase Amount**") on or about November 1<sup>st</sup> 2021, **Felix Payment Systems Ltd.**, a corporation existing under the laws of Canada (the "**Company**"), hereby issues to the Investor the right to certain shares of the Company, subject to the terms set forth below.

The "**Discount Rate**" of this Safe is 20% and the minimum company valuation is 10m USD

See Section 2 for certain additional defined terms.

**1. EVENTS**

- (a) **Equity Financing.** If there is an Equity Financing before the expiration or termination of this Safe, on the initial closing of such Equity Financing this Safe will automatically convert into the number of Safe Preferred Shares equal to the Purchase Amount divided by the Discount Price (the "**Issue Price**").

In connection with the automatic conversion of this Safe into Safe Preferred Shares, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; provided, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Shares, with appropriate variations to reflect the different purchase price of the Safe Preferred Shares, if applicable, and (ii) provide the Investor with the benefit of all representations and warranties, covenants, and indemnities made by the Company and, if applicable, its founders and employees, to the purchasers of Standard Preferred Shares.

- (b) **Liquidity Event.** If there is a Liquidity Event before the expiration or termination of this Safe, the Investor will, at its option, either: (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph); or (ii) automatically receive from the Company a number of Common Shares equal to the Purchase Amount divided by the product resulting from multiplying the price per Common Share payable to or by holders of Common Shares, as applicable, pursuant to the Liquidity Event by the Discount Rate.

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In connection with Section 1(b)(i), the Purchase Amount will be due and payable by the Company to the Investor immediately prior to, or concurrent with, the consummation of the Liquidity Event. If there are not enough funds to pay the Investor and holders of other Safes (collectively, the "**Cash-Out Investors**") in full, then all of the Company's available funds will be distributed with equal priority and pro rata among the Cash-Out Investors in proportion to their Purchase Amounts. Payments will be made to Cash-Out Investors electing to receive a cash payment of the purchase amount in priority to payments to holders of the Company's shares. In connection with a Change of Control intended to qualify as a tax-free reorganization, the Company may reduce, pro rata, the Purchase Amounts payable to the Cash-Out Investors by the amount determined by its board of directors in good faith to be advisable for such Change of Control to qualify as a tax-free reorganization for income tax purposes, and in such case, the Cash-Out Investors will automatically receive the number of Common Shares equal to the remaining unpaid Purchase Amount divided by the Discount Rate. Felix agrees to return 1m usd to BBSG upon a liquidity event and convert the balance of the investment.

- (c) **Dissolution Event.** If there is a Dissolution Event before this Safe expires or terminates, the Company will pay the Investor an amount equal to the Purchase Amount, due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event. The Purchase Amount will be paid prior and in preference to any Distribution of any of the assets of the Company to shareholders of the Company by reason of their ownership of such shares. If immediately prior to the consummation of the Dissolution Event, the assets of the Company legally available for distribution to the Investor and all holders of all other Safes (the "**Dissolving Investors**"), as determined in good faith by the Company's board of directors, are insufficient to permit the payment to the Dissolving Investors of their respective Purchase Amounts, then the entire assets of the Company legally available for distribution will be distributed with equal priority and pro rata among the Dissolving Investors in proportion to the Purchase Amounts they would otherwise be entitled to receive pursuant to this Section 1(c).
- (d) **Termination.** This Safe will expire and terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) upon either: (i) the issuance of shares to the Investor pursuant to Section 1(a) or Section 1(b)(ii); or (ii) the payment, or setting aside for payment, of amounts due to the Investor pursuant to Section 1(b)(i) or Section 1(c).

## 2. DEFINITIONS

- (a) "**Canadian Securities Laws**" means, collectively, the securities laws of the Provinces and Territories of Canada and the regulations and rules made thereunder, together with all applicable published policy statements, instruments, orders, notices, and rulings of the Canadian Securities Administrators or of any Province or Territory of Canada.
- (b) "**Change of Control**" means (i) a transaction or series of related transactions in which any "person" (within the meaning of applicable Canadian Securities Laws), becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company's board of directors; (ii) any reorganization, merger, or consolidation of the Company, other than a transaction or series of related transactions in which the holders

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of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity; or (iii) a sale, lease, or other disposition of all or substantially all of the assets of the Company.

- (c) **"Common Shares"** means the common shares in the capital of the Company.
- (d) **"Discount Price"** means the product of the price per share of the Standard Preferred Shares sold in the Equity Financing multiplied by the Discount Rate.
- (e) **"Distribution"** means the transfer to holders of shares of the Company by reason of their ownership of such shares of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on the Common Shares payable in Common Shares, or the purchase or redemption of shares of the Company by the Company or its subsidiaries for cash or property other than: (i) repurchases of Common Shares issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Shares issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right and (iii) repurchases of shares of the Company in connection with the settlement of disputes with any shareholder.
- (f) **"Dissolution Event"** means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.
- (g) **"Equity Financing"** means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues preferred shares of the Company at a fixed valuation, including but not limited to, a minimum pre-money valuation of 10,000,000 USD or more generating gross proceeds to the Company of at least 10,000,000 USD (excluding conversion of convertible instruments including this Safe).
- (h) **"Initial Public Offering"** means the closing of the Company's first firm commitment underwritten initial public offering of Common Shares pursuant to (i) a prospectus filed under applicable Canadian Securities Laws, or (ii) a registration statement filed under the U.S. Securities Act.
- (i) **"Liquidity Event"** means a Change of Control or an Initial Public Offering.
- (j) **"Safe"** means an instrument containing a future right to the Company's shares, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company's business operations.
- (k) **"Safe Preferred Shares"** means preferred shares of the Company issued to the Investor in an Equity Financing, which will have the identical rights, privileges, preferences and

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restrictions as the Standard Preferred Shares, other than with respect to the per share liquidation preference, which will equal the Issue Price, as well as price-based anti-dilution protection and dividend rights, which will be based on such Issue Price.

- (l) **"Standard Preferred Shares"** means the class or series of the Company's preferred shares issued to the investors investing new money in the Company in connection with the initial closing of the Equity Financing.
- (m) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

### 3. COMPANY REPRESENTATIONS

- (a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.
- (b) The execution, delivery and performance by the Company of this Safe is within the power of the Company and, other than with respect to the actions to be taken when equity is to be issued to the Investor, has been duly authorized by all necessary actions on the part of the Company. This Safe constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To its knowledge, the Company is not in violation of (i) its articles or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material indenture or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.
- (c) The performance and consummation of the transactions contemplated by this Safe do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material debt or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien on any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.
- (d) No consents or approvals are required in connection with the performance of this Safe, other than: (i) the Company's corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorization of any shares in the capital of the Company issued pursuant to Section 1.
- (e) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

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- (f) To the knowledge of the Company, there is no litigation or governmental proceedings commenced or pending against or affecting the Company or its assets, in which a decision adverse to the Company would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Company.

#### 4. INVESTOR REPRESENTATIONS

- (a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes a valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.
- (b) The Investor is at least one of the following:
- (i) an "accredited investor" as such term is defined in National Instrument 45-106;
  - (ii) an existing holder of securities of the Company; or
  - (iii) a close personal friend or close business associate of a director, executive officer, founder or control person of the Company,

and will duly execute the "Private Issuer Exemption Form" attached hereto as Exhibit A and, if necessary, the "Accredited Investor Certificate" attached hereto as Exhibit B, confirming the foregoing.

- (c) The Investor understands the terms of the applicable category in Section 4(b) above that applies to the Investor pursuant to which the Investor is executing and delivering this Safe, by reason of a representative of the Company having explained the meaning of such terms to the Investor and having answered any questions to the Investor's satisfaction.
- (d) If the Investor is a resident of the United States, the Investor is also an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the U.S. Securities Act.
- (e) The Investor understands that: (i) this Safe and the underlying securities are not and will not be (A) qualified by a prospectus under the securities laws of any jurisdiction of Canada or (B) registered under the U.S. Securities Act or applicable U.S. state securities laws, in each case by reason of specific exemptions therefrom, which exemptions depend upon, among other things, the Investor's representations set forth herein; and (ii) this Safe and the underlying securities cannot be resold unless they are registered or qualified under applicable securities legislation or a resale exemption under applicable securities legislation is available.
- (f) The Investor is purchasing this Safe and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no

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present intention of selling, granting any participation in, or otherwise distributing the same.

- (g) The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

## 5. MISCELLANEOUS

- (a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the majority-in-interest of all then-outstanding Safes with the same "Discount Rate" as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), provided that with respect to clause (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each holder of such Safes must be solicited (even if not obtained), and (C) such amendment, waiver or modification treats all such holders in the same manner. "Majority-in-interest" refers to the holders of the applicable group of Safes whose Safes together have aggregate purchase amounts greater than 50% of the aggregate purchase amounts of all of such applicable group of Safes.
- (b) Any notice required or permitted by this Safe will be deemed sufficient if in writing and delivered in person, by courier or by email at the address specified on such party's signature page to this Safe. Any notice made or given will be conclusively deemed to have been given: (i) if by personal delivery, on the day of actual delivery thereof; (ii) if made or given by courier, 48 hours after being deposited with the courier; or (iii) if made or given by email, on the day the email is sent or if the day the email is sent is not a business day, the next business following the day that the notice was sent by email. Each of the parties may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 5(b).
- (c) The Investor is not entitled, as a holder of this Safe, to vote or receive dividends or be deemed the holder of shares in the Company for any purpose, nor will anything contained herein be construed to confer upon the Investor, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise until shares have been issued upon the terms as described herein.
- (d) Neither this Safe nor the rights contained herein may be assigned, by operation of law or otherwise, by either party without the prior written consent of the other; provided, however, that the rights of the Investor may be assigned without the Company's consent by the Investor to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor; and provided,

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further, that the Company may assign this Safe in whole, without the consent of the Investor, in connection with a continuance to change the Company's domicile.

- (e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.
- (f) All rights and obligations hereunder will be governed by and interpreted and determined in accordance the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to the conflicts of law provisions of such jurisdiction. The laws of the Province of British Columbia govern the execution of this Safe, regardless of where this Safe was signed.
- (g) This Safe may be signed electronically, including through DocuSign and similar electronic signature applications. Delivery of a printed counterpart (whether or not the counterpart was signed electronically) and electronic delivery (including by email transmission or transmission over an electronic signature platform) of an executed counterpart of this Agreement are each as valid, enforceable and binding as if the signatures were upon the same instrument and delivered in person.

***[Signature page follows]***

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IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered as of the date first written above.

By the Company:

**Felix Payment Systems Ltd.**

By: Owen Newport  
 Name: Owen Newport  
 Title: CEO

Address for Notice:

Suite 300 1286 Homer street  
Vancouver BC V6B 2Y5

Email: Owen.newport@payfelix.com

By the Investor:

**BBSG HALL Investments LLC** *SP18*

By: Steve Hall  
 Name: Steve Hall  
 Title: MANAGER


Address for Notice:

6605 ABERCORN STREET  
Suite 204, SAVANNAH  
GA. 31405

Email:



This is **Exhibit "PP"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia

# PROMISSORY NOTE

\$1,220,000.00

May 13, 2022  
Savannah, Georgia

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of:

BBSG Hall Investments, LLC  
6605 Abercorn Street, Suite 204  
Savannah, Georgia 31405 ("Lender")

the sum of **ONE MILLION TWO HUNDRED TWENTY THOUSAND AND NO/100 Dollars (\$1,220,000.00)**, with interest from date at the rate of Twelve Percent (12%) per annum on the unpaid outstanding principal balance, as follows:

- A) Payments of interest only shall be paid on the first day of each month for four (4) months, with the entire balance of principal and any unpaid interest and other fees due hereunder being due and payable on or before the earlier of September 15, 2022, or when Borrower receives a rebate on tax payments made to the Government of British Colombia.
- B) This Note may be prepaid in whole or in part at any time without penalty or the assessment of any unearned interest.
- C) Any installment not paid within ten (10) days of the monthly due date shall bear a late charge of two (2%) per cent of the overdue installment.
- D) This Note may not be assigned, assumed or transferred without the express written consent of the Lender, in Lender's sole discretion.

All payments of principal and interest shall be made in lawful money of the United States at 6605 Abercorn Street, Suite 204, Savannah, Georgia 31405 or at any place designated in writing by Lender to Borrower.

It is stipulated and agreed that in the event one or more installment payments of either principal or interest are not paid when the same falls due, then the entire balance of indebtedness shall at once or at any time thereafter, at the option of the holder of this Note, become due, payable and collectible.

In case of default and the placing of this Note in the hands of an attorney at law for collection or suit, the undersigned agrees to pay reasonable attorneys fees and costs of collection actually incurred by the Lender in collecting the balance due.

This Note will be secured by \_\_\_\_\_.

This Note shall be construed under and according to the laws of the State of Georgia, and the laws of the State of Georgia shall apply to any dispute arising hereunder. No provision contained herein shall require the payment or permit the collection of any amount in excess of the maximum amount of interest permitted by Georgia law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the loan amount. If any provision of this Note is found by a court of competent jurisdiction to be unlawful, void or unenforceable as written, then it is the intent of all parties that the remainder of this Promissory Note be construed as if such unlawful, void or unenforceable provision were not contained herein, and that the rights, obligations and interest of the parties hereto under the remainder of this Note shall continue in full force and effect.

All disputes between the parties arising out of or related to any Note term(s), or any breach or alleged breach of this Note will be decided by arbitration unless the parties otherwise mutually agree in writing. No arbitration proceeding under this provision shall include any person or entity not a party to this Note except by prior written

consent. The written consent must specifically refer to this Note's arbitration provision, describe the matter to be arbitrated, and be signed by the Seller and Purchaser. An arbitration proceeding involving an additional person or entity is limited to the parties and matters described in the consent. The arbitration shall be conducted in Chatham County, Georgia by the American Arbitration Association in accordance with the rules adopted thereby, unless another arbiter is agreed to in writing by Seller and Purchaser. The parties must file a written notice of arbitration with the other party to this Note and with the American Arbitration Association. The notice of arbitration may not be filed after the date that a claim based on the dispute would have been barred in a judicial proceeding by the applicable statute of limitations. Either party may specifically enforce (a) a decision rendered under this agreement to arbitrate or (b) any valid agreement to arbitrate with additional persons, under applicable arbitration laws. The award rendered by the arbitrator(s) will be final and binding, and any court with jurisdiction over the decision may enter a judgment upon the arbitrator's decision.

In the event the preceding arbitration agreement provision is ruled invalid or unenforceable, then, in that event, the parties agree that any controversy or claim arising under or relating to this note or Borrower's relationship with Lender, shall be brought, exclusively, in the state courts located in and for Chatham County, Georgia or the United States District Court for the Southern District of Georgia, Savannah Division. Borrower consents and submits to the exclusive personal jurisdiction of and venue in such courts and waives any defenses or claims to the contrary, including but not limited to, lack of jurisdiction or improper venue.

WITNESS the hand and seal of the undersigned.

Felix Payment Systems, LTD.

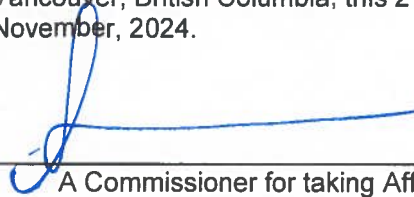
  
By: Owen Newton, Chief Executive Officer

Address for Notices:

Level 3 1286 Homer Street

Vancouver, BC V6B 2Y5

This is **Exhibit "QQ"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large loop followed by a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE HEREOF, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED HEREBY AND THOSE ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT (AS HEREINAFTER DEFINED), OR QUALIFIED OR REGISTERED UNDER U.S. STATE SECURITIES OR "BLUE SKY" LAWS AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

**Felix Payment Systems Ltd.  
(Simple Agreement for Future Equity)**

THIS CERTIFIES THAT in exchange for the payment by **Ripcord Capital** (the "Investor") of **1,000,000 USD** (the "Purchase Amount") on or about November 1<sup>st</sup> 2021, **Felix Payment Systems Ltd.**, a corporation existing under the laws of Canada (the "Company"), hereby issues to the Investor the right to certain shares of the Company, subject to the terms set forth below.

The "**Discount Rate**" of this Safe is 20% and the minimum company valuation is 10m USD

See Section 2 for certain additional defined terms.

**1. EVENTS**

- (a) **Equity Financing.** If there is an Equity Financing before the expiration or termination of this Safe, on the initial closing of such Equity Financing this Safe will automatically convert into the number of Safe Preferred Shares equal to the Purchase Amount divided by the Discount Price (the "Issue Price").

In connection with the automatic conversion of this Safe into Safe Preferred Shares, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; provided, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Shares, with appropriate variations to reflect the different purchase price of the Safe Preferred Shares, if applicable, and (ii) provide the Investor with the benefit of all representations and warranties, covenants, and indemnities made by the Company and, if applicable, its founders and employees, to the purchasers of Standard Preferred Shares.

- (b) **Liquidity Event.** If there is a Liquidity Event before the expiration or termination of this Safe, the Investor will, at its option, either: (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph); or (ii) automatically receive from the Company a number of Common Shares equal to the Purchase Amount divided by the product resulting from multiplying the price per Common Share payable to or by holders of Common Shares, as applicable, pursuant to the Liquidity Event by the Discount Rate.



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In connection with Section 1(b)(i), the Purchase Amount will be due and payable by the Company to the Investor immediately prior to, or concurrent with, the consummation of the Liquidity Event. If there are not enough funds to pay the Investor and holders of other Safes (collectively, the **"Cash-Out Investors"**) in full, then all of the Company's available funds will be distributed with equal priority and pro rata among the Cash-Out Investors in proportion to their Purchase Amounts. Payments will be made to Cash-Out Investors electing to receive a cash payment of the purchase amount in priority to payments to holders of the Company's shares. In connection with a Change of Control intended to qualify as a tax-free reorganization, the Company may reduce, pro rata, the Purchase Amounts payable to the Cash-Out Investors by the amount determined by its board of directors in good faith to be advisable for such Change of Control to qualify as a tax-free reorganization for income tax purposes, and in such case, the Cash-Out Investors will automatically receive the number of Common Shares equal to the remaining unpaid Purchase Amount divided by the Discount Rate.

- (c) **Dissolution Event.** If there is a Dissolution Event before this Safe expires or terminates, the Company will pay the Investor an amount equal to the Purchase Amount, due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event. The Purchase Amount will be paid prior and in preference to any Distribution of any of the assets of the Company to shareholders of the Company by reason of their ownership of such shares. If immediately prior to the consummation of the Dissolution Event, the assets of the Company legally available for distribution to the Investor and all holders of all other Safes (the **"Dissolving Investors"**), as determined in good faith by the Company's board of directors, are insufficient to permit the payment to the Dissolving Investors of their respective Purchase Amounts, then the entire assets of the Company legally available for distribution will be distributed with equal priority and pro rata among the Dissolving Investors in proportion to the Purchase Amounts they would otherwise be entitled to receive pursuant to this Section 1(c).
- (d) **Termination.** This Safe will expire and terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) upon either: (i) the issuance of shares to the Investor pursuant to Section 1(a) or Section 1(b)(ii); or (ii) the payment, or setting aside for payment, of amounts due to the Investor pursuant to Section 1(b)(i) or Section 1(c).

## 2. DEFINITIONS

- (a) **"Canadian Securities Laws"** means, collectively, the securities laws of the Provinces and Territories of Canada and the regulations and rules made thereunder, together with all applicable published policy statements, instruments, orders, notices, and rulings of the Canadian Securities Administrators or of any Province or Territory of Canada.
- (b) **"Change of Control"** means (i) a transaction or series of related transactions in which any "person" (within the meaning of applicable Canadian Securities Laws), becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company's board of directors; (ii) any reorganization, merger, or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction



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or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity; or (iii) a sale, lease, or other disposition of all or substantially all of the assets of the Company.

- (c) **"Common Shares"** means the common shares in the capital of the Company.
- (d) **"Discount Price"** means the product of the price per share of the Standard Preferred Shares sold in the Equity Financing multiplied by the Discount Rate.
- (e) **"Distribution"** means the transfer to holders of shares of the Company by reason of their ownership of such shares of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on the Common Shares payable in Common Shares, or the purchase or redemption of shares of the Company by the Company or its subsidiaries for cash or property other than: (i) repurchases of Common Shares issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Shares issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right and (iii) repurchases of shares of the Company in connection with the settlement of disputes with any shareholder.
- (f) **"Dissolution Event"** means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.
- (g) **"Equity Financing"** means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues preferred shares of the Company at a fixed valuation, including but not limited to, a minimum pre-money valuation of 10,000,000 USD or more generating gross proceeds to the Company of at least 10,000,000 USD (excluding conversion of convertible instruments including this Safe).
- (h) **"Initial Public Offering"** means the closing of the Company's first firm commitment underwritten initial public offering of Common Shares pursuant to (i) a prospectus filed under applicable Canadian Securities Laws, or (ii) a registration statement filed under the U.S. Securities Act.
- (i) **"Liquidity Event"** means a Change of Control or an Initial Public Offering.
- (j) **"Safe"** means an instrument containing a future right to the Company's shares, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company's business operations.
- (k) **"Safe Preferred Shares"** means preferred shares of the Company issued to the Investor in an Equity Financing, which will have the identical rights, privileges, preferences and restrictions as the Standard Preferred Shares, other than with respect to the per share

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liquidation preference, which will equal the Issue Price, as well as price-based anti-dilution protection and dividend rights, which will be based on such Issue Price.

- (l) **"Standard Preferred Shares"** means the class or series of the Company's preferred shares issued to the investors investing new money in the Company in connection with the initial closing of the Equity Financing.
- (m) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

### 3. COMPANY REPRESENTATIONS

- (a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.
- (b) The execution, delivery and performance by the Company of this Safe is within the power of the Company and, other than with respect to the actions to be taken when equity is to be issued to the Investor, has been duly authorized by all necessary actions on the part of the Company. This Safe constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To its knowledge, the Company is not in violation of (i) its articles or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material indenture or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.
- (c) The performance and consummation of the transactions contemplated by this Safe do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material debt or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien on any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.
- (d) No consents or approvals are required in connection with the performance of this Safe, other than: (i) the Company's corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorization of any shares in the capital of the Company issued pursuant to Section 1.
- (e) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.
- (f) To the knowledge of the Company, there is no litigation or governmental proceedings commenced or pending against or affecting the Company or its assets, in which a

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decision adverse to the Company would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Company.

#### 4. INVESTOR REPRESENTATIONS

- (a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes a valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.
- (b) The Investor is at least one of the following:
  - (i) an "accredited investor" as such term is defined in National Instrument 45-106;
  - (ii) an existing holder of securities of the Company; or
  - (iii) a close personal friend or close business associate of a director, executive officer, founder or control person of the Company,

and will duly execute the "Private Issuer Exemption Form" attached hereto as Exhibit A and, if necessary, the "Accredited Investor Certificate" attached hereto as Exhibit B, confirming the foregoing.

- (c) The Investor understands the terms of the applicable category in Section 4(b) above that applies to the Investor pursuant to which the Investor is executing and delivering this Safe, by reason of a representative of the Company having explained the meaning of such terms to the Investor and having answered any questions to the Investor's satisfaction.
- (d) If the Investor is a resident of the United States, the Investor is also an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the U.S. Securities Act.
- (e) The Investor understands that: (i) this Safe and the underlying securities are not and will not be (A) qualified by a prospectus under the securities laws of any jurisdiction of Canada or (B) registered under the U.S. Securities Act or applicable U.S. state securities laws, in each case by reason of specific exemptions therefrom, which exemptions depend upon, among other things, the Investor's representations set forth herein; and (ii) this Safe and the underlying securities cannot be resold unless they are registered or qualified under applicable securities legislation or a resale exemption under applicable securities legislation is available.
- (f) The Investor is purchasing this Safe and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same.



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- (g) The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

## 5. MISCELLANEOUS

- (a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the majority-in-interest of all then-outstanding Safes with the same "Discount Rate" as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), provided that with respect to clause (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each holder of such Safes must be solicited (even if not obtained), and (C) such amendment, waiver or modification treats all such holders in the same manner. "Majority-in-interest" refers to the holders of the applicable group of Safes whose Safes together have aggregate purchase amounts greater than 50% of the aggregate purchase amounts of all of such applicable group of Safes.
- (b) Any notice required or permitted by this Safe will be deemed sufficient if in writing and delivered in person, by courier or by email at the address specified on such party's signature page to this Safe. Any notice made or given will be conclusively deemed to have been given: (i) if by personal delivery, on the day of actual delivery thereof; (ii) if made or given by courier, 48 hours after being deposited with the courier; or (iii) if made or given by email, on the day the email is sent or if the day the email is sent is not a business day, the next business following the day that the notice was sent by email. Each of the parties may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 5(b).
- (c) The Investor is not entitled, as a holder of this Safe, to vote or receive dividends or be deemed the holder of shares in the Company for any purpose, nor will anything contained herein be construed to confer upon the Investor, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise until shares have been issued upon the terms as described herein.
- (d) Neither this Safe nor the rights contained herein may be assigned, by operation of law or otherwise, by either party without the prior written consent of the other; provided, however, that the rights of the Investor may be assigned without the Company's consent by the Investor to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor; and provided, further, that the Company may assign this Safe in whole, without the consent of the Investor, in connection with a continuance to change the Company's domicile.

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- (e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.
- (f) All rights and obligations hereunder will be governed by and interpreted and determined in accordance the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to the conflicts of law provisions of such jurisdiction. The laws of the Province of British Columbia govern the execution of this Safe, regardless of where this Safe was signed.
- (g) This Safe may be signed electronically, including through DocuSign and similar electronic signature applications. Delivery of a printed counterpart (whether or not the counterpart was signed electronically) and electronic delivery (including by email transmission or transmission over an electronic signature platform) of an executed counterpart of this Agreement are each as valid, enforceable and binding as if the signatures were upon the same instrument and delivered in person.

***[Signature page follows]***

IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered as of the date first written above.

By the Company:

**Felix Payment Systems Ltd.**

By: Owen Newport  
 Name: Owen Newport  
 Title: CEO

Address for Notice:

Suite 300 1286 Homer street

Vancouver BC V6B 2Y5

Email: Owen.newport@payfelix.com

By the Investor:

**Ripcord Capital LLC**

By: [Signature]  
 Name: [Signature]  
 Title: [Signature]

Address for Notice:

Ripcord Capital

6605 Alberca St. 204

Suite 6A 31405

Email: cordyn@ripcc.com



This is **Exhibit "RR"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



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A Commissioner for taking Affidavits  
for British Columbia

# **CONVERTIBLE PROMISSORY NOTE**

September 9, 2021

**PRINCIPAL AMOUNT: US\$ 180,000**

**DUE: March 9, 2022**

FOR VALUE RECEIVED, the undersigned Felix Payment System, LTD. (the "**Borrower**" or the "**Company**"), company incorporated under the laws of the BC Canada, hereby promises to pay Maxafi (the "**Lender**"), at such address or at such other place as the Lender may from time to time designate by written notice to the Borrower, the principal amount of five hundred thousand nine hundred (\$180,000) DOLLARS, ON DEMAND at any time after 179 days from the date hereof (the "**Principal Amount**"), in lawful money of the United States of America, with simple interest at 10% per annum. Maxafi agrees to extend this note with verbal approval up to 720,000 as needed.

The Borrower may prepay the Principal Amount and any unpaid interest or any portion thereof at any time and from time to time without notice, further interest, bonus or penalty.

At the option of Lender, this note is convertible at any time at a conversion price per share as the last equity offering completed by the company.

At the option of the Lender upon closing of any equity-based financing for the Company, Lender may require the Company to redeem this Note (to the extent available as net proceeds from any such financing) through repayment of all principal amount remaining due together with any accrued but unpaid interest, without further interest, bonus, or penalty.

The Company hereby grants to Lender a security interest in the Company's collateral pursuant to the terms of that certain Security Agreement of even date herewith, a copy of which is attached as Exhibit A hereto (the "**Security Interest**").

The Company agrees to work in good faith to finalize within 45 days a joint venture agreement which in principle allows:

1. Cross licensing of Maxafi and Felix technology to jointly identify and accept customers.
2. 10% of the revenue of each account will be paid to the initiator/introduction of the account (sales override) and the remaining 90% of the revenue will be split 50/50 between Felix and Maxafi
3. The period of this joint venture will be no less than 3 years and will renew automatically unless written notice is given.
4. In the event of M&A of either company, this agreement will survive and be honored post acquisition.
5. Both parties agree to work in good faith towards this JV agreement within which Felix Payment Systems will oversee all research and development (R&D), programming, integrations and maintenance of Felix Payment Systems and Maxafi Holdings will be responsible for the management and sales of all consumers, merchants, and vendors using the Felix Payment system. In our partnership it will move forward as "Maxafi powered by Felix". For the purpose of registration both parties agree that Felix Payment systems

has either agreements or relationships with Exxonmobil, Canadian Tire, Best Buy, Walmart and Google and Maxafi Holdings has relationships with Walmart, Target, Amazon, Chewy, Tim Hortons and Nike.

PRESENTMENT for payment, demand, protest and notice of dishonor and protest hereof are hereby waived.

THIS PROMISSORY NOTE is governed by and shall be interpreted pursuant to the laws of the State of Georgia and all federal laws of the United States of America applicable therein.

THIS PROMISSORY NOTE is not assignable by the Borrower without the prior written consent of the Lender.

**Maxafi Holdings LLC**

By: 

Name: Frank A Cristaudo

Title: Chief Executive Officer

**Felix Payment Systems Ltd.**

By: Owen Newport

Owen Newport

Title: Chief Executive Officer

**Payment Type and Details >**

Transaction Date:	22-Feb-22	Status:	Completed
Amount:	\$220,000.00	Transaction Type:	Incoming Fed
Imed:	0222B6B7HU1R023005	JPMorgan Reference:	1314260053FF
DR Value Date:		CR Value Date:	22-Feb-22

**Sending Party >**

Account ID: ABA - 026009593  
 Name: BANK OF AMERICA, N.A.  
 Address: SUPE  
 222 BROADWAY  
 NEW YORK NY US

**Credit Party >**

Account ID: DDA - 406312251  
 Name: RBC BANK (GEORGIA) NA  
 Address: 8081 ARCO CORPORATE DR  
 RALEIGH NC 27617-2041 US

**Third Party >**

Account ID: DDA - 503560664  
 Name: FELIX PAYMENT SYSTEMS LTD  
 Address: 910 RICHARDS STREET SUITE 206  
 VANCOUVER  
 V6B3C1 CA

**Fourth Party >**

Account ID:  
 Name:  
 Address:

**Order Party >**

Account ID: DDA - 483075025093  
 Name: MAXAFI HOLDINGS LLC  
 Address: 90 STATE STREET STE 700 OFFICE 40  
 ALBANY  
 12207 US NY

**Order Bank >**

Account ID:  
 Name: BANK OF AMERICA, N.A.  
 Address: 222 BROADWAY  
 NEW YORK NY US

**4th Credit Party >**

Account ID:  
 Name:  
 Address:

**Other Information >**

Credit Advice:	SWIFT	Cr Adv Type:	Payment
Debit Reference:	2022022200793518	Source:	FED
Credit Reference:	222MF280690N2E99	Bank/Bank Info:	/ACC/ORG CR PTY ABA/063216608 RBC B
Release Time(EST):	16:30:09		ATK (GEORGIA), NA ATLANTA, GA
Existing Inquiry:	No		/TIME/15:29
Payment Details:		Flags:	

This is **Exhibit "SS"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'J' or 'L' shape followed by a horizontal line.

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A Commissioner for taking Affidavits  
for British Columbia

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## CONVERTIBLE NOTE PURCHASE AGREEMENT

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This Convertible Note Purchase Agreement (this "*Agreement*") is entered into as of the 21<sup>st</sup> day of February, 2021 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as *Schedule A* (each an "*Investor*" and, collectively, the "*Investors*"), as such *Schedule A* may be amended in accordance with this Agreement.

### RECITALS

**WHEREAS**, the Investors and the Company desire to enter into this Agreement with respect to certain funding transactions for the benefit of the Company on the terms and conditions set forth herein; and

**WHEREAS**, certain capitalized terms used herein shall have the meanings ascribed to them in Section 8.1 of this Agreement;

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

#### SECTION 1. TERMS OF THE NOTES

##### Section 1.1      General Description of the Notes.

(a) On the Effective Date, the Company will issue to each Investor a convertible promissory note representing the loan to be made by such Investor at or prior to the Initial Closing (as hereinafter defined) in the principal amount set forth opposite such Investor's name on *Schedule A* hereto (each a "*Note*" and, collectively, the "*Notes*"), and, in accordance with Section 2.1(b), the Company will issue a convertible promissory notes representing the principal amounts of the loans to be made by the investors participating in any Additional Closing (as hereinafter defined) (each, an "*Additional Investor*"), in each case, in the form of Exhibit 1.1 attached hereto and pursuant to the terms and conditions of this Agreement and the Notes issued to Investors. Any Notes issued at an Additional Closing shall be deemed to be "*Notes*" under this Agreement and all Additional Investors shall be deemed to be "*Investors*" under this Agreement

(b) Unless earlier converted into Equity Securities of the Company pursuant to the terms hereof, the aggregate outstanding principal amount of the Notes plus accrued and unpaid interest thereon shall be due and payable in full on the Maturity Date. The Notes shall bear interest (based on a 365-day year) on the unpaid principal amount thereof until due and payable at the rate of six percent (6%) per annum. In the event of any conflict between the terms of the Notes and the terms of this Agreement, the terms of this Agreement shall control.

Section 1.2      Payments and Endorsements. Payments of principal and interest on the Notes and other amounts due to each Investor with respect to the Obligations shall be made by certified check or wire



transfer of immediately available federal funds to the account designated in writing by such Investor, without any presentment or notation of payment.

Section 1.3 Repayments.

(a) *Mandatory Repayments.* The full unpaid principal amount of the Notes, together with all accrued and unpaid interest thereon, shall be paid in full by the Company to the Investors on the earlier of (i) the Maturity Date, (ii) a Sale of the Company, and (iii) an Event of Default in which the Notes have been accelerated by the Investors or are automatically accelerated in accordance with the provisions of this Agreement.

(b) *No Optional Prepayments.* The Company may not prepay the Notes without the prior written consent of the Requisite Investors.

(c) *Application of Payment.* All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest on the Notes, and (iii) third, to the principal amount of the Notes.

Section 1.4 Replacement of the Notes. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of a Note and, if requested in the case of any such loss, theft or destruction, upon delivery of an indemnity bond or other agreement or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of a Note, the Company will issue a new Note, of like tenor and amount and dated the date to which interest has been paid, in lieu of the lost, stolen, destroyed or mutilated Note; provided, however, if a Note is lost, stolen or destroyed, the affidavit of the Investor (or an authorized partner or officer of Investor) setting forth the circumstances with respect to such loss, theft or destruction shall be accepted as satisfactory evidence thereof.

Section 1.5 Security. The Notes are unsecured obligations of the Company.

Section 1.6 Conversion Rights and Obligations.

(a) *Optional Conversion upon Equity Financing.* If, prior to the Maturity Date, the Company intends to consummate an Equity Financing, it shall provide the Investors with prior written notice of at least twenty (20) days, such notice to set out the material terms of the Equity Financing. Upon the consummation of such Equity Financing, the Investors may elect, upon the approval of the Requisite Investors, to convert the Notes (in whole or in part) into the number of shares of the Equity Securities issued by the Company pursuant to the Equity Financing equal to the greater of (i) the number of shares of the Equity Securities resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes to be converted by (B) eighty-five percent (85%) of the price per Equity Security (excluding conversion of the Notes) in the Equity Financing; or (ii) the number of shares of the Equity Securities resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes to be converted by (B) a price per Equity Security calculated prior to the Equity Financing using the Valuation Cap. Promptly after the closing of the Equity Financing, the Company shall deliver to the Investors written notices accompanied by any certificates representing the Equity Securities into which the Notes have been converted, registered in the name of the Investors, and against such delivery, the Investors shall surrender the Notes to the Company, duly endorsed to the Company or marked as cancelled. Each Investor shall also execute and deliver any securities purchase agreements, shareholders agreement or other equity agreements as are agreed to by the Investors, the Company and the other investors in the Equity Financing and the Investors shall receive the same rights (including, without limitation, information and access rights,

preemptive rights, put or call rights, co-sale rights, registration rights and other investor rights and protective provisions) as any other investor in the Equity Financing.

(b) *Optional Conversion prior to Maturity Date.* If not sooner repaid or converted in an Equity Financing prior to the Maturity Date, the Investors may elect, upon the approval of the Requisite Investors, to convert the entire unpaid principal and interest outstanding under the Notes into the number of Common Shares of the Company resulting from dividing (i) the outstanding principal and accrued but unpaid interest under the Notes; by (ii) a price per Equity Security calculated using the Valuation Cap. Promptly (and in any event within five (5) days of the Company's receipt of the written election by the Investors to convert pursuant to this Section 1.6(b)), the Company shall deliver to Investors written notices accompanied by any certificate representing the Equity Securities into which the Note has been converted, registered in the name of the Investors, and against such delivery, Investors shall surrender the Note to the Company, duly endorsed to the Company or marked as cancelled. In the event of a conversion pursuant to this Section 1.6(b), the Company covenants and agrees to negotiate and enter into a shareholders agreement to include commercial terms typical for an institutional investment transaction.

(c) *Optional Conversion upon the Occurrence of a Sale of the Company.* Notwithstanding any provision of this Agreement and the Notes to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of the Notes, (i) the Company shall notify Investors in writing not less than fifteen (15) days prior to the date on which the closing of the Sale of the Company is expected to occur, and (ii) Investors may elect, upon the approval of the Requisite Investors, with such election delivered to the Company at least five (5) days prior to the Sale of the Company, to convert the entire unpaid principal and interest outstanding under the Notes into the number of Common Shares of the Company resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes; by (B) a price per Equity Security calculated using the Valuation Cap. Promptly (and in any event within two (2) Business Days of the Company's receipt of such written election by the Investors to convert pursuant to this Section 1.6(c)), the Company shall deliver to Investors written notices accompanied by any certificate representing the Equity Securities into which the Notes have been converted, registered in the name of the Investors, and against such delivery, Investors shall surrender the Notes to the Company, duly endorsed to the Company or marked as cancelled.

(d) *No Impairment.* The Company will not, through any reorganization, transfer of assets, issuance or sale of Equity Securities or otherwise, avoid or seek to avoid the observance or performance of any of the terms of this Section 1.6 or the other provisions of this Agreement and will at all times in good faith assist in the carrying out of the provisions hereof and in the taking of all actions as may be necessary in order to protect the conversion and other rights of the Investors hereunder against impairment

## SECTION 2. CLOSING

### Section 2.1      Closings.

(a) Subject to the satisfaction of the conditions set forth in SECTION 3, the sale and purchase of the initial Notes shall occur on the Effective Date (the "*Initial Closing*"); provided, that certain Notes issued at the Initial Closing relate to loans provided to the Company prior to the Effective Date. At the Initial Closing, the Company will deliver to Investors the initial Notes against delivery by Investors to the Company of the amount of the purchase price therefor by wire transfer of immediately available funds to the account specified in writing by the Company.

(b) Subject to the satisfaction of the applicable conditions set forth in SECTION 3, the sale and purchase of the additional Notes shall occur on a date designated by the Requisite Investors at any

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time and from time to time prior to the date which is six (6) months after the Effective Date (each an "Additional Closing" and, together with the Initial Closing, each a "Closing"). At each Additional Closing, the Company will deliver to Additional Investors the additional Notes against delivery by the Additional Investors to the Company of the amount of the purchase price therefor by wire transfer of immediately available funds to the account specified in writing by the Company. Unless agreed to by the Company, the aggregate principal amount of the Notes issued pursuant to this Agreement shall not exceed \$1,000,000. Each Additional Investor shall become a party to this Agreement by executing and delivering to the Company an additional counterpart signature page to this Agreement and **Schedule A** hereto shall be updated to reflect the Notes purchased and sold in such Closing without any further action required on the part of the Company or any Investor.

**Section 2.2 Use of Proceeds.** The proceeds from the sale of the Notes shall be used to provide interim working capital to (a) support the Company's development efforts and pilot program to seek card network approval and (b) provide the Company the timeline necessary to complete the Equity Financing.

### **SECTION 3.** **CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR**

Investor's obligation to purchase a Note shall be subject to the satisfaction of the following conditions precedent:

**Section 3.1 Representations and Warranties.** The representations and warranties of the Company in this Agreement are true and correct in all material respects at the time of the applicable Closing.

**Section 3.2 Performance; No Default.** The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the applicable Closing and after giving effect to the issue and sale of the Notes, no Event of Default shall have occurred and be continuing as of the applicable Closing.

**Section 3.3 Intentionally Left Blank.**

**Section 3.4 No Injunctions.** No injunction, preliminary injunction or temporary restraining order shall be threatened or shall exist as of the applicable Closing that prohibits or may prohibit the transactions contemplated by this Agreement, and no litigation or similar proceeding (including, without limitation, any litigation or other proceeding seeking injunctive or similar relief) shall be threatened or shall exist with respect to the transactions contemplated by this Agreement.

**Section 3.5 Documents.** Investors shall have received in form and substance satisfactory to Investors each of the following:

- (a) **Notes.** Notes duly executed by the Company in favor of Investors.
- (b) **Agreement.** A counterpart of this Agreement duly executed by the Company.
- (c) **Approvals and Consents.** Copies of all required consents, authorizations, filings, licenses and approvals, if any, in connection with the execution, delivery and performance by the Company, and the validity and enforceability of, this Agreement and the Notes.
- (d) **Closing Certificate.** A certificate of an authorized officer of the Company, dated as of the applicable Closing, certifying on behalf of the Company that the closing conditions set forth in **Section 3.1**, **Section 3.2** and **Section 3.4** have been satisfied.



Section 3.6 Additional Closing Conditions. As a condition to the obligation of Investors to consummate an Additional Closing, (a) the Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at an Additional Closing, and (b) the representations and warranties of the Company in this Agreement shall be true and correct in all material respects at the time of an Additional Closing.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Investors that the following statements are true, correct and complete as of the Initial Closing and any Additional Closing:

Section 4.1 Organization, Good Standing, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the Province of British Columbia, and has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted. The Company is duly qualified and authorized to do business, and is in good standing as a foreign corporation, in each jurisdiction where the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except where the failure to be so qualified would not have a Material Adverse Effect upon the financial condition or operations of the Company or its properties.

Section 4.2 Capitalization. The authorized capital of the Company consists, immediately prior to the Closing, of common shares (the "*Common Shares*"), 2,315,828 shares of which are issued and outstanding immediately prior to the Initial Closing. All of the outstanding Common Shares have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws. Except for such outstanding Common Shares, there are no other issued and outstanding Equity Securities of the Company of any kind, class or character. There are no outstanding or authorized subscriptions, options, warrants, rights, agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance or redemption of any Equity Securities, or any options or rights with respect thereto. There are no agreements to which the Company is a party or by which it is bound with respect to the voting, registration or the sale or transfer of any Equity Securities of the Company. Upon any conversion of the Notes into Equity Securities of the Company as provided for in this Agreement, such Equity Securities will be duly authorized, validly issued, and free and clear of any Liens when issued in accordance with this Agreement and the Notes.

Section 4.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not, directly or indirectly, a participant in any joint venture or partnership.

Section 4.4 Authorization. All corporate action required to be taken by the Company to authorize the Company to enter into this Agreement and to issue the Notes at the Closings has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of this Agreement, the performance of all obligations of the Company under this Agreement to be performed as of the Closings, and the issuance and delivery of the Notes has been taken. This Agreement and the Notes, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

Section 4.5 Title to Properties and Assets. The Company has good and marketable title to its properties and assets (except properties and assets held under capitalized leases) and has good title to all its leasehold interests, in each case subject to no Liens. The tangible property and assets held by the Company

under any lease are held under leases that remain in force, and there exists no default or other occurrence or condition that could result in a default or termination thereunder.

**Section 4.6 Material Liabilities.** The Company has no material liability or obligation, absolute or contingent (individually or in the aggregate), except obligations and liabilities incurred in the ordinary course of business that are not individually or in the aggregate material or that are of a type or nature not required under GAAP to be reflected in financial statements. Neither the Company nor any officer of the Company has knowledge of any basis for any other material claim against or liability or obligation of the Company. The Company does not have any outstanding indebtedness for borrowed money.

**Section 4.7 Obligations to Related Parties.** There are no material liabilities or obligations, absolute or contingent (individually or in the aggregate), of the Company to officers, managers, members, or employees, including any member of their immediate families, other than (a) for payment of normal base salary for services rendered, (b) reimbursement of reasonable expenses incurred on behalf of the Company, and (c) for other standard employee benefits made generally available to all employees. None of the officers, managers, members, or employees of the Company, or any member of their immediate families, are indebted to the Company. No officer, manager or member, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company (other than such contracts as relate to any such person's ownership of Common Shares or other securities of the Company).

**Section 4.8 Litigation.** There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any Governmental Authority, or to the Company's knowledge, currently threatened in writing (a) against the Company or (b) against any consultant, officer, manager, member or of the Company arising out of his or her consulting, employment or other relationship with the Company or that could otherwise materially impact the Company.

**Section 4.9 Intellectual Property.** The Company owns or possesses sufficient legal rights to all Intellectual Property (as defined below) that is necessary to the conduct of the Company's business as now conducted and as presently proposed to be conducted (the "*Company Intellectual Property*") without any violation or infringement (or in the case of third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications, without any violation or infringement known to the Company) of the rights of others. No product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any rights to any patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes (collectively, "*Intellectual Property*") of any other party, except that with respect to third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications the foregoing representation is made to the Company's knowledge only. Other than with respect to commercially available software products under standard end-user object code license agreements, there is no outstanding option, license, agreement, claim, encumbrance or shared ownership interest of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the Intellectual Property of any other person. The Company has not received any written communications alleging that the Company has violated or, by conducting its business, would violate any of the Intellectual Property of any other person.

**Section 4.10 Employee and Consultant Matters.** Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to the Investors. No current or former employee or consultant has excluded works or inventions from his or her assignment of inventions pursuant to such agreement. To the Company's knowledge, no such employees or consultants is in violation thereof. To the Company's knowledge, none of its employees is obligated under any judgment, decree, contract, covenant or agreement that would materially interfere with such employee's ability to promote the interest

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of the Company or that would interfere with such employee's ability to promote the interests of the Company or that would conflict with the Company's business.

**Section 4.11 Compliance with Other Instruments.** The Company is not in violation or default (a) of any provisions of its Certificate of Incorporation or its bylaws, (b) of any judgment, order, writ or decree of any court or Governmental Authority, (c) under any agreement, instrument, contract, lease, note, indenture, mortgage or purchase order to which it is a party, or, (d) to its knowledge, of any provision of any law applicable to the Company. The execution, delivery and performance of this Agreement and the Notes and the consummation of the transactions contemplated hereby will not result in any such violation or default, or constitute, with or without the passage of time and giving of notice, either (i) a default under any such judgment, order, writ, decree, agreement, instrument, contract, lease, note, indenture, mortgage or purchase order or (ii) an event which results in the creation of any Lien upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

**Section 4.12 Material Agreements.** Except for this Agreement and the Notes, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party that involve (a) obligations (contingent or otherwise) of, or payments to, the Company in excess of \$25,000, (b) the license of any Intellectual Property to or from the Company other than licenses with respect to commercially available software products under standard end-user object code license agreements or standard customer terms of service and privacy policies for Internet sites, (c) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other person, or that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (d) indemnification by the Company with respect to infringements of proprietary rights other than standard customer or channel agreements (each, a "*Material Agreement*"). The Company is not in material breach of any Material Agreement. Each Material Agreement is in full force and effect and is enforceable by the Company in accordance with its respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) the effect of rules of law governing the availability of equitable remedies

**Section 4.13 Offering.** Assuming the accuracy of the representations and warranties of the Investors contained in SECTION 5, the offer, issuance and sale of the Notes and the Equity Securities into which such Notes are convertible (collectively, the "*Issued Securities*") are and will be exempt from the registration and prospectus delivery requirements under applicable law, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

**Section 4.14 Disclosure.** No representation or warranty made by the Company in this Agreement or the Notes or any financial statement, certificate, Schedule or exhibit prepared and furnished or to be prepared and furnished by the Company or its representatives pursuant hereto contains or will contain any untrue statement of material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were furnished.

## SECTION 5.

### REPRESENTATIONS AND WARRANTIES OF INVESTORS

Each Investor, for that Investor alone, represents and warrants to the Company that as of the Initial Closing and any Additional Closing:



Section 5.1 Power and Authority. The Investor has the requisite capacity, power or authority to enter into this Agreement and to purchase the Note such Investor has agreed to purchase subject to all of the terms of this Agreement and the Note.

Section 5.2 Due Execution. This Agreement has been duly authorized, executed and delivered by the Investor, and, upon due execution and delivery by the Company, this Agreement will be a valid and legally binding obligations of the Investor, enforceable against the Investor in accordance with their terms.

Section 5.3 Investment Representations.

(a) This Agreement is made with the Investor in reliance upon the Investor's representation to the Company, which by such its acceptance hereof the Investor hereby confirms, that the Issued Securities to be received by such Investor will be acquired for investment for such Investor's own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that such Investor has no present intention of selling, granting participation in, or otherwise distributing the same. By executing this Agreement, the Investor further represents that such Investor does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person, or to any third person, with respect to any of the Securities.

(b) The Investor understands that the Issued Securities have not been registered under applicable law on the grounds that the sale provided for in this Agreement and the issuance of Issued Securities hereunder is exempt from registration under applicable law, and that the Company's reliance on such exemption is predicated in part on the Investor's representations set forth herein. The Investor realizes that the basis for the exemption may not be present if, notwithstanding such representations, the Investor has in mind merely acquiring the Issued Securities for a fixed or determined period in the future, or for a market rise, or for sale if the market does not rise. The Investor does not have any such intention.

(c) The Investor represents and warrants that: (i) such Investor's financial situation is such that such Investor can afford to bear the economic risk of holding the Issued Securities purchased by such Investor for an indefinite period of time and suffer a complete loss of such Investor's investment in the Issued Securities; (ii) such Investor's knowledge and experience in financial and business matters are such that such Investor is capable of evaluating the merits and risks of such Investor's purchase of the Issued Securities as contemplated by this Agreement; (iii) such Investor understands that such Investor's purchase of the Issued Securities is a speculative investment; (iv) the purchase of the Issued Securities by such Investor has been duly and properly authorized and this Agreement has been duly executed by such Investor or on such Investor's behalf, and constitutes such Investor's valid and legally binding obligation enforceable in accordance with its terms; and (v) such Investor has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the sale of the Issued Securities.

(d) The Investor understands that the Issued Securities may not be sold, transferred or otherwise disposed of without registration under applicable law or an exemption therefrom, and that in the absence of an effective registration statement covering the Issued Securities or an available exemption from registration under applicable law, the Issued Securities must be held indefinitely. The Investor represents that, in the absence of an effective registration statement covering the Issued Securities such Investor will sell, transfer, or otherwise dispose of the Issued Securities only in a manner consistent with the representations set forth herein.

(e) The Investor agrees that in no event will such Investor make a transfer or disposition of any of the Issued Securities (other than pursuant to an effective registration statement under applicable law), unless and until (i) such Investor shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition, and (ii) if requested by the Company, at the expense of such Investor or transferee, such

Investor shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company, to the effect that such transfer may be made without registration under applicable law. Notwithstanding the provisions of this Section 5.3(e), no such opinion shall be required in the case of transfers made by the Investor to an Affiliate of such Investor.

(f) The Investor understands that each certificate representing the Equity Securities into which such Notes are convertible will be endorsed with a legend substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER APPLICABLE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER APPLICABLE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION UNDER APPLICABLE SECURITIES LAWS.

Section 5.4 Government Consents. No consent, approval or authorization of or designation, declaration or filing with any state, federal, or foreign governmental authority on the part of the Investor because of any special characteristic of the Investor is required in connection with the valid execution and delivery of this Agreement by the Investor, and the consummation by the Investor of the transactions contemplated hereby and thereby; provided, however, that the Investor makes no representations as to the Company's compliance with applicable state securities laws.

Section 5.5 Litigation. There is no claim, action, suit, proceeding, complaint, charge or investigation pending or, to Investor's knowledge, threatened against Investor before any court or administrative agency or that questions the validity of this Agreement or the right of Investor to enter them or consummate the transactions contemplated by them.

## **SECTION 6.**

### **EVENTS OF DEFAULT AND REMEDIES**

Section 6.1 Events of Default. The occurrence or existence of any one or more of the following events shall constitute an "*Event of Default*":

- (a) The failure by the Company to pay the principal amount of any Note or interest accrued thereon when due, and such non-payment continues for a period of five (5) calendar days thereafter;
- (b) The material breach by the Company of any representation, warranty or covenant of the Company in this Agreement or any Note, and, in the case of a breach of any such covenant, the failure of the Company to cure such breach within ten (10) calendar days after receipt of written notice thereof;
- (c) The commencement by or against the Company of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or applicable state law that remains un-dismissed for a period of ninety (90) days; and
- (d) The cessation of the Company's business operations.

Section 6.2 Remedies of the Investors Agent upon Occurrence of Event of Default. Upon the occurrence of an Event of Default (other than an Event of Default described in Section 6.1(c) or Section 6.1(d)), the Investors may, by written notice to the Company, declare the entire amount of the Obligations, including, without limitation, the entire principal and all accrued interest then outstanding under the Notes,

to be, and the same shall thereupon become, immediately due and payable in full by the Company. When any Event of Default described in Section 6.1(c) or Section 6.1(d) shall occur, the entire amount of the Obligations, including, without limitation, the entire principal and all accrued interest then outstanding under the Notes shall thereupon become immediately due and payable without notice of any kind (including any notice by or consent of the Investor), which notice is hereby expressly waived by the Company.

Section 6.3 Annulment of Acceleration. The provisions of the foregoing Section 6.2 are subject to the condition that, if all or any part of the Obligations have been declared or have otherwise become immediately due and payable by reason of the occurrence of any Event of Default, the Investors, by written instrument delivered to the Company (an "Annulment Notice"), may, in the Investors' sole discretion, rescind such declaration and the consequences thereof as to all of the Notes; provided that at the time such Annulment Notice is delivered no judgment or decree has been entered for the payment of any monies due pursuant to such Obligations in connection therewith and no such action shall constitute a waiver of any right to accelerate the Notes in the future as a result of the same Event of Default or any subsequent Event of Default.

Section 6.4 Remedies. No right or remedy conferred upon or reserved to the Investors under this Agreement or the Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing under the Notes, or under applicable law. Every right and remedy given by this Agreement and the Notes, or under applicable law to the Investor may be exercised from time to time and as often as may be deemed expedient by the Investor, subject to the provisions of Section 6.2 and Section 6.3.

Section 6.5 Conduct No Waiver. No course of dealing on the part of the Investors, or any delay or failure on the part of any Investor to exercise any of such Investor's rights, shall operate as a waiver of such right or remedy or otherwise prejudice such Investor's rights, powers and remedies. If the Company fails to pay, when due (after, to the extent specifically required or provided for hereunder, notice and expiration of any applicable cure period), the principal of, or the interest on, the Notes, or fails to comply with any other provision of this Agreement, the Company shall pay to each applicable Investor, on demand, such additional amounts as are necessary to cover the out-of-pocket costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by such Investor in enforcing the Notes and/or collecting any sums due on the Notes or in otherwise enforcing such Investor's rights under this Agreement or the Notes.

Section 6.6 Indemnification. The Company shall indemnify, defend, and hold harmless the Investors and their respective agents, officers, employees and representatives from all claims and suits for damages or loss, and from all judgments recovered therefor and for expenses in defending any such claims or suits, including court costs, attorneys' fees, and for any other expenses caused by an act or omission of the Company or its contractors, agents, officers or employees in connection with performance of this Agreement and the Notes.

## SECTION 7. COVENANTS AND AGREEMENTS.

Section 7.1 Reimbursement of Fees. The Company shall be responsible for (a) the fees and expenses of attorneys, accountants, consultants and any other representative or agent retained by the Investors in regard to this Agreement and (b) the outstanding fees owed to Polsinelli of approximately \$5,250 for intellectual property legal services, and all such fees and expenses shall be paid by the Company from the proceeds of the Initial Closing on or promptly following the Initial Closing.



**Section 7.2 Negative Covenants.** The Company covenants and agrees, that for so long as any Note is outstanding, the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without the written consent or affirmative vote of the Investors, consenting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) repurchase or redeem any of the Company's Equity Securities or make, pay or declare and distribution upon any of the Company's Equity Securities;

(b) sell, assign, grant an exclusive license, pledge or encumber material assets, technology or intellectual property of the Company or any subsidiary other than in the ordinary course of business;

(c) sell, assign, grant a license, pledge or encumber any of the Company's rights, title and interest in and to the assets relating to the Felix patented online technology infrastructure and the associated software system, the resulting transaction services, any products derived for resale or license from the Felix technology, including but not limited to, Felix Cloud, Felix Terminal and Felix Checkout, and any contracts serving third parties such as Sightline (collectively, the "Payfelix Platform");

(d) liquidate or dissolve, merge, amalgamate or consolidate with or into, acquire any business organization or sell or issue any Equity Securities (other than in connection with an Equity Financing);

(e) create, grant or suffer the existence of any lien, encumbrance or other security interest, other than a Permitted Lien, with respect to any of the material properties and assets of the Company in favor of a third party (a "Third Party Lien") unless the Company shall have first granted to the holders of the Notes a *pro rata* security interest with respect to such properties or assets that is senior to such Third Party Lien, including priority right of payment; or

(f) incur any indebtedness for borrowed money, other than (i) pursuant to Notes issued under this Agreement or (ii) in the ordinary course of business, unless such indebtedness is and remains subordinate in right of payment to the Notes pursuant to a subordination agreement on terms satisfactory to the Investors.

As used herein, "Permitted Lien" means any (i) purchase money liens or purchase money security interests upon or in any property acquired by the Company, (ii) lien for taxes, assessments, or similar charges not yet due and payable and (iii) lien of materialmen, mechanics, warehousemen or other like lien arising securing obligations which are not yet delinquent; provided, that (A) the applicable obligation arises in the ordinary course of business, (B) in the case of (ii) and (iii), reserves are maintained with respect to such obligations in accordance with generally accepted accounting principles, (C) such lien or security interest is not created in connection with the borrowing of money and (D) such lien or security interest does not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such lien or security interest.

**Section 7.3 Delivery of Financial Statements.** The Company covenants and agrees, that for so long as any Note is outstanding, the Company shall, within fifteen (15) days after March 31, June 30, September 30 and December 31, delivery to the Investors a consolidated balance sheet of the Company and its subsidiaries as of the end of each such quarterly period, and consolidated statements of income and cash flows of the Company and its subsidiaries for such period and for the current fiscal year to date, prepared in accordance with GAAP (except as disclosed in reasonable detail therein and subject to normal year-end audit adjustments and the absence of notes therefo).

Section 7.4 Board Representation. Robert Alpert, on behalf of the Investors, shall have the right to designate one member to serve on the board of directors of the Company and the Company shall take such action, including shareholder approval, to cause such member to be appointed to such board.

Section 7.5 Recurring Revenue Threshold. In the event the Company believes that the Recurring Revenue Threshold has been achieved as of December 31, 2021, it will prepare (or cause to be prepared) and deliver to the Investors a statement of the Company's calculations of the Recurring Revenues and the various components thereof (the "*Recurring Revenue Statement*"). Within the twenty (20) day period after delivery by the Company of the Recurring Revenue Statement, the Investors will, in a written notice to the Company, either accept the Recurring Revenue Statement, or, in the event that the Investors believe that the Recurring Revenue Statement is inaccurate, describe in reasonable detail any proposed adjustments to the Recurring Revenue Statement which the Investors believe should be made and the basis therefor. If the Company has not received such notice of proposed adjustments within such twenty (20) day period, the Recurring Revenue Statement will be deemed to have been accepted and agreed to by the Investors in the form in which such Recurring Revenue Statement is delivered by the Company and will be final and binding on the Company and the Investors. The Company and the Investors will negotiate in good faith to resolve any dispute over the Investors' proposed adjustments to Recurring Revenue Statement, provided that if any such dispute is not resolved within twenty (20) days following receipt by the Company of the proposed adjustments, the Company and the Investors jointly will select (or, if the Company and the Investors are unable to agree, the American Arbitration Association will select) an independent accounting firm which has not had a material relationship with the Company, Sellers or any of their respective Affiliates within two (2) years preceding such selection (such firm, the "*Accounting Firm*") to resolve by arbitration any remaining dispute over the Investors' proposed adjustments. The Accounting Firm will resolve the items in dispute and render a written report on the resolved disputed items (and only on those disputed items) within thirty (30) days after the date on which they are engaged or as soon thereafter as possible. In resolving any disputed item, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by the Company or the Investors or less than the smallest value for such item claimed by the Company or the Investors. The resolution of the dispute by the Accounting Firm will be final and binding upon the Company and the Investors except in the case of fraud or manifest clerical error, and judgment may be entered on the award. The cost of the services of the Accounting Firm will be allocated by the Accounting Firm between the Company and the Investors in the same proportion that the aggregate amount of such resolved disputed items so submitted to the Accounting Firm that is unsuccessfully disputed by each such party (as finally determined by the Accounting Firm) bears to the total amount of such resolved disputed items so submitted.

## SECTION 8. INTERPRETATION OF AGREEMENT

Section 8.1 Certain Terms Defined. When used in this Agreement, the following capitalized terms shall have the meanings included:

"*Affiliate*" means, with respect to any Person, (a) a Person that, directly or indirectly, or through one or more intermediaries, controls such Person, (b) any Person that is controlled by, or is under common control with, such Person, and/or (c) each of such Person's officers or directors (or Persons functioning in substantially similar roles) and the spouses, parents, descendants and siblings of such officers, directors or other Persons. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Business Day*" means each day of the week except Saturdays, Sundays and days on which banking institutions are authorized by law to close in the State of Ohio.

**"Equity Financing"** means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Equity Securities and from which the Company receives gross proceeds of at least \$5,000,000.00 (excluding, for the avoidance of doubt, the principal amount and accrued interest under the Notes).

**"Equity Securities"** means any (a) capital shares of the Company, (b) any securities conferring the right to purchase capital shares of the Company, and (c) any securities directly or indirectly convertible into, or exchangeable for (with or without additional consideration) capital shares of the Company.

**"GAAP"** means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants or in statements of the Financial Accounting Standards Board or their respective successors and that are applicable in the circumstances as of the date in question.

**"Governmental Authority"** means the government of any nation, province, state, city or locality or other political subdivision of any thereof, or any entity, authority, agency, division, department or person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, regulation or compliance.

**"Indebtedness"** means for any Person: (a) all indebtedness, whether or not represented by bonds, debentures, notes, securities or other evidences of indebtedness, for the repayment of money borrowed, and (b) all indebtedness secured by liens on the Company's property other than Permitted Liens.

**"Lien"** means any lien, mortgage, security interest, tax lien, pledge, encumbrance, conditional sale or title retention agreement or any other interest in property designed to secure the repayment of Indebtedness or any other obligation, whether arising by agreement, operation of law or otherwise.

**"Material Adverse Effect"** means (a) a material adverse effect on the business, operations, properties, assets or financial condition of the Company, or (b) the material impairment of the ability (i) of the Company to perform its obligations under this Agreement or the Notes or (ii) of Investors to enforce or collect any of the Obligations.

**"Maturity Date"** means the date of the eighteen (18) month anniversary of the Effective Date.

**"Obligations"** means any and all Indebtedness, financial liabilities or payment of the Company to the Investors of the Notes of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, under this Agreement, including without limitation all indebtedness and obligations evidenced by the Notes, together with all renewals, modifications, extensions, increases, substitutions or replacements of any of such Indebtedness.

**"Permitted Liens"** means (a) Liens securing purchase money Indebtedness and capitalized lease obligations incurred to finance the acquisition of capital assets by the Company, (b) Liens for taxes not yet due or being contested in good faith by appropriate proceedings diligently conducted, against which adequate reserves in accordance with GAAP have been established to the reasonable satisfaction of the Investors, (c) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising against the Company in the ordinary course of business, and (d) deposits to secure payment of worker's compensation, unemployment insurance or other social security benefits.

**"Person"** means any individual, sole proprietorship, corporation, limited liability company, business trust, unincorporated organization, association, company, partnership, joint venture,



Governmental Authority (whether national, federal, state, county, municipality or otherwise, and including, without limitation, any instrumentality, division, agency, body or department thereof) or other entity.

*"Recurring Revenues"* means newly generated contractual recurring revenues of the Company (and not any Affiliate of the Company) that are verifiable and predictable, with a margin of not less than ninety (90%), and which are attributable to the Payfelix Platform. Such Recurring Revenues will be calculated as of 11:59 p.m. eastern time on December 31, 2021 and in accordance with GAAP, and as reflected in the financial statements of the Company.

*"Recurring Revenues Threshold"* means Recurring Revenues of at least \$2,500,000.

*"Requisite Investors"* means the holders of Notes representing at least fifty percent (50%) of the aggregate principal amount of the Notes at the time outstanding.

*"Sale of the Company"* means (a) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding Equity Securities having the right to vote for the election of members of the Company's managers, (b) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting Equity Securities outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting Equity Securities or such other surviving or resulting entity or (c) a sale, lease, license or other disposition of all or substantially all of the assets of the Company.

*"Valuation Cap"* means (a) a fully-diluted (including any convertible or exchangeable Equity Securities, but excluding the Notes) enterprise valuation of the Company of \$5,000,000, or (b) in the event the Recurring Revenue Threshold is achieved, a fully-diluted (including any convertible or exchangeable Equity Securities, but excluding the Notes) enterprise valuation of the Company of \$10,000,000.

Terms that are defined in other Sections of this Agreement shall have the meanings specified therein.

Section 8.2 References. When used in this Agreement, the words "hereof," "herein," "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and the words "Article," "Section," "subsection," "clause," "Annex," "Schedule" and "Exhibit" refer to Articles, Sections, subsections and clauses of, and Annexes, Schedules and Exhibits to, this Agreement unless otherwise specified. As used herein the neuter gender shall be deemed to include the masculine and feminine gender.

## SECTION 9. MISCELLANEOUS

Section 9.1 Notices. All notices and other communications under this Agreement must be in writing and are deemed duly delivered when (a) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (b) sent by electronic email with confirmation of transmission by the transmitting equipment (or, the first Business Day following such transmission if the date of transmission is not a Business Day) or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested; in each case to the following addresses or emails and marked to the attention of the individual (by name or title) designated below (or to such other address, email or individual as a party may designate by notice to the other parties):

PAGE 14

If to the Company:

Felix Payment Systems Ltd.  
250 Howe St, Level 20  
Suite 100-218  
Vancouver, BC V6C 3R8  
Attention: Owen Newport  
Email: [owen.newport@payfelix.com](mailto:owen.newport@payfelix.com)

If to the Investors:

Felix Payment Investors  
35 Little Point Rd.  
E-302  
Swampscott, MA 01907  
Attn: Robert Alpert  
Email: [robert@danro.com](mailto:robert@danro.com)

Section 9.2 Assignment, Sale of Interest. The Company may not sell, assign or transfer this Agreement or the Notes, or any portion thereof, or such party's rights and obligations hereunder or thereunder, without the prior written consent of the Requisite Investors. Each Investor may sell, assign or transfer any of such Investor's rights and obligations under this Agreement or the Notes (subject to the transfer restrictions contained in the Notes and/or described in Section 5.3(d), Section 5.3(e) and Section 5.3(f)), or any portion hereof or thereof, including, without limitation, such Investor's rights, title, interests, remedies, powers or duties hereunder or under the Notes.

Section 9.3 Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 9.4 Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 9.5 Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

Section 9.6 Integration and Severability. This Agreement, together with the Notes, embodies the entire agreement and understanding between the Company and Investors regarding the transactions contemplated therein and supersedes all prior agreements and understandings relating to the subject matter hereof. Any invalidity, illegality or limitation of the enforceability with respect to any one or more of the provisions of this Agreement, or any part thereof, shall in no way affect or impair the validity, legality or enforceability of any other provisions of this Agreement. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 9.7 Further Assurances. From and after the date of this Agreement, upon the request of the Investors, the Company shall execute and deliver such agreements, instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement and the Notes.

Section 9.8 Amendments, Waivers and Consents. Any provision in this Agreement or in the Notes to the contrary notwithstanding, changes in or additions to this Agreement or the Notes may be made, and compliance with any covenant or provision set forth herein or therein by any party may be omitted or

waived, only with the prior written consent of both parties. Any waiver or consent may be given subject to satisfaction of conditions stated therein and any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

Section 9.9 Law Govering; Jurisdiction. The laws of Ohio (without giving effect to its conflicts of law principles) govern this Agreement and all matters arising out of or relating to this Agreement and the transactions contemplated hereby. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the federal or state courts of the State of Ohio over any proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such proceeding may be heard and determined in such courts. The parties hereto hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any proceeding brought in such courts or any claim that such proceeding brought in such courts has been brought in an inconvenient forum. Each of the parties hereto agrees that a judgment in such proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. Each of the parties hereto hereby irrevocably consents to process being served by any other party to this Agreement in any proceeding by delivery of a copy thereof in accordance with the provisions of Section 9.1.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized.

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

Designated by:

*Owen Newport*

By:

Name: Owen Newport

Title: Chief Executive Officer

INVESTOR:

DocuSigned by:

Robert Alpert

ED33D64C3A2148D

Robert Alpert



**SCHEDULE A**  
**SCHEDULE OF INVESTORS**

<u>Name and Address</u>	<u>Date of Investment</u>	<u>Principal Amount</u>
Robert Alpert 12802 North Scottsdale Road Scottsdale, AZ 85252 <a href="mailto:robert@danro.com">robert@danro.com</a>	9/21/2020	\$25,000
	12/21/2020	\$50,000
	1/5/2021	\$50,000
	2/19/2021	\$200,000
	2/19/2021	\$150,000
Roman Alpert Trust 12802 North Scottsdale Road Scottsdale, AZ 85252 <a href="mailto:roman.alpert@gmail.com">roman.alpert@gmail.com</a>	2/12/2021	\$150,000
Don Sanders 5900 JP Morgan Chase Tower 600 Travis, Suite 5800 Houston, TX 77002 <a href="mailto:Don.Sanders@smhgroup.com">Don.Sanders@smhgroup.com</a>	2/17/2021	\$150,000
Andy Cracchiolo 3219 East Camelback Rd #785 Phoenix, AZ 85018 <a href="mailto:ac@cracchiolo.net">ac@cracchiolo.net</a>	2/21/2021	\$150,000
Elk Camp Ventures, LLC 8 The Green, Suite R Dover, DE 19901 Attention: Matt Emerman <a href="mailto:mattemergan@gmail.com">mattemergan@gmail.com</a>	2/21/2021	\$25,000
Hyperion Investments, LLC 1720 Magoffin Ave El Paso, TX 79901 Attention: Lane Gaddy <a href="mailto:lbgaddy@gmail.com">lbgaddy@gmail.com</a>	2/21/2021	\$50,000
James Taylor Irrevocable Trust 181 Elmwood Avenue Ext Gloversville, New York 12078 <a href="mailto:seamus@calliopei.com">seamus@calliopei.com</a>	2/25/21	\$50,000
The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012 7209 Rustic Trail Boulder, CO 80301 <a href="mailto:rdavidhoover@msn.com">rdavidhoover@msn.com</a>	2/25/21	\$100,000
	TOTAL	\$1,150,000



EXHIBIT 1.1  
TO  
CONVERTIBLE NOTE PURCHASE AGREEMENT

Form of Note

*(See attached.)*

## EXHIBIT A-2

## FIRST AMENDMENT TO CONVERTIBLE NOTE PURCHASE AGREEMENT

This First Amendment to Convertible Note Purchase Agreement (this "*Amendment*") is entered into as of the 5<sup>th</sup> day of February, 2023 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as Schedule A (each an "*Investor*" and, collectively, the "*Investors*"), as such Schedule A may be amended in accordance with the Convertible Note Purchase Agreement dated February 21, 2021 (the "*Agreement*").

### RECITALS

**WHEREAS**, the Investors and the Company desire to enter into this Amendment to amend the Agreement on the terms and conditions set forth herein; and

**WHEREAS**, certain capitalized terms used herein shall have the meanings ascribed to them in the Agreement;

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

1. The definition of Maturity Date in the Agreement is deleted in its entirety and replaced with the following:

"*Maturity Date*" means May 21, 2023.

2. Section 6.2 of the Agreement is amended by adding the following sentence to the end of Section 6.2:

Upon the occurrence of an Event of Default, the interest rate of each Note shall automatically, and without notice, increase to eighteen percent (18%).

3. Effective February 1, 2023, all accrued and unpaid interest on each Note shall be added to the principal balance of each Note (i.e. capitalized) as set forth below.

Noteholder	Principal Balance	Start Date of Interest	Accrued Interest through and including January 31, 2023	New Principal Balance effective February 1, 2023
Robert Alpert	\$25,000.00	9/21/20	\$3,795.77	\$28,795.77
Robert Alpert	\$50,000.00	12/21/20	\$6,738.54	\$56,738.54
Robert Alpert	\$50,000.00	1/5/21	\$6,599.12	\$56,599.12

Robert Alpert	\$200,000.00	2/19/21	\$24,732.18	\$224,732.18
Robert Alpert	\$150,000.00	2/19/21	\$18,549.13	\$168,549.18
Robert Alpert	\$112,250.00	6/8/22	\$4,448.39	\$116,698.39
Roman Alpert Trust	\$150,000.00	2/12/21	\$18,742.41	\$168,742.41
Don Sanders	\$150,000.00	2/17/21	\$18,604.36	\$168,604.36
Andy Cracchiolo	\$150,000.00	2/21/21	\$18,493.91	\$168,493.91
Elk Camp Ventures, LLC	\$25,000.00	2/21/21	\$3,082.32	\$28,082.32
Hyperion Investments, I.L.C.	\$50,000.00	2/21/21	\$6,164.64	\$56,164.64
The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012	\$100,000.00	2/25/21	\$12,255.64	\$112,255.64
The James W. Taylor Revocable Living Trust dated September 25, 2001	\$50,000.00	2/25/21	\$6,127.82	\$56,127.82

4. Within forty-five (45) days of execution of this Amendment, Company shall provide investors with all of the information required under Section 7.3 of the Agreement, copies of all representations made by the Company to third-parties concerning the Company's financial condition, and such other financial information reasonably requested by investors. Within fifteen (15) days of execution of this Amendment, Company shall provide investors with a schedule of all current shareholders and debtholders.

[Signature Pages Follow]

PAGE 2

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized.

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

Designated by:

By Owen Newport

Name: Owen Newport

Title: Chief Executive Officer

## INVESTORS:

DocuSigned by:

Robert Alpert

Robert Alpert

DocuSigned by:

Roman Alpert

Roman Alpert Trust

By: Roman Alpert

Title: Trustee &amp; Beneficiary

DocuSigned by:

Don Sanders

Don Sanders

DocuSigned by:

Andy Cracchiolo

Andy Cracchiolo

DocuSigned by:



Elk Camp Ventures, LLC

By: Elk

Title: Founding Member

DocuSigned by:

Lane Gaddy

Hyperion Investments, LLC

By: Lane Gaddy

Title: Manager

PAGE 4



DocuSigned by:

R. David Hoover

The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: R. David HooverTitle: Trustee

DocuSigned by:

Seamus

The James W. Taylor Revocable Living Trust  
dated September 25, 2001

By: SeamusTitle: Trustee

PAGE 5

DocuSign

## Certificate Of Completion

Envelope Id: 3BDD539CA258476988D405032A69E507  
 Subject: Complete with DocuSign: First Amendment to Note.PDF  
 Client Matter Number:  
 Source Envelope:  
 Document Pages: 5  
 Certificate Pages: 6  
 AutoNav: Enabled  
 EnvelopeID Stamping: Disabled  
 Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed

Envelope Originator:  
 Brian Darer  
 620 South Tryon Street  
 Suite 800  
 Charlotte, NC 28202  
 briandarer@perkorpos.com  
 IP Address: 66.194.17.46

Signatures: 8  
 Initials: 0

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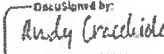
Holder: Brian Darer  
 briandarer@perkorpos.com

Location: DocuSign

## Signer Events

Andy Cracchiolo  
 ac@cracchiolo.net  
 Security Level: Email, Account Authentication  
 (None)

## Signature

DocuSigned by:  
  
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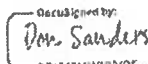
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 Signed using mobile

Electronic Record and Signature Disclosure:  
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Don Sanders  
 don.sanders@smhgroup.com  
 Individual Owner  
 Security Level: Email, Account Authentication  
 (None)

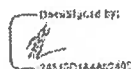
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 ID: 269bd00e-6260-4d70-938e-9224fa9941fc

Elk  
 mattemerman@gmail.com  
 Founding Member  
 Elk Camp Ventures, LLC  
 Security Level: Email, Account Authentication  
 (None)

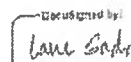
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Electronic Record and Signature Disclosure:  
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Lane Gaddy  
 lbgaddy@gmail.com  
 Manager  
 Security Level: Email, Account Authentication  
 (None)

DocuSigned by:  
  
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## Signer Events

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R. David Hoover  
rdavidhoover@msn.com  
Trustee

R. David Hoover Revocable Trust  
Security Level: Email, Account Authentication  
(None)

Electronic Record and Signature Disclosure:  
Accepted: 2/7/2023 4:49:35 PM  
ID: dh09348a-f6f6-4646-938d-0c70b41a76d6

Robert Alpert  
robert@danra.com  
CEO

Collegiate Parent, LLC  
Security Level: Email, Account Authentication  
(None)

Electronic Record and Signature Disclosure:  
Accepted: 2/6/2023 3:14:05 PM  
ID: ccf6a03b-cba7-4422-a01a-80263478438d

Roman Alpert  
romanh.alpert@gmail.com  
Trustee & Beneficiary

Security Level: Email, Account Authentication  
(None)

Electronic Record and Signature Disclosure:  
Accepted: 2/6/2023 12:04:08 PM  
ID: f81e1d9f-742b-4688-8695-3e059c0ff028

Seamus  
seamus@callopet.com  
Trustee

Security Level: Email, Account Authentication  
(None)

Electronic Record and Signature Disclosure:  
Accepted: 2/7/2023 9:47:10 AM  
ID: 1ed3aa02-0b55-4b1c-abe8-072b65af7d03

## Signature

Digitally signed by  
R. David Hoover  
DN: cn=R. David Hoover

Signature Adoption: Pre-selected Style  
Using IP Address: 134.56.9.30

Digitally signed by  
Robert Alpert  
DN: cn=Robert Alpert

Signature Adoption: Pre-selected Style  
Using IP Address: 170.250.247.176

Digitally signed by  
Roman Alpert  
DN: cn=Roman Alpert

Signature Adoption: Pre-selected Style  
Using IP Address: 24.160.67.90

Digitally signed by  
Seamus  
DN: cn=Seamus

Signature Adoption: Drawn on Device  
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Signed using mobile

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Signed: 2/8/2023 10:03:21 AM

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

## Witness Events

## Signature

## Timestamp

Notary Events	Signature	Timestamp
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Completed	Security Checked	2/6/2023 10:03:21 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		



**ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Parker Poe Adams & Bernstein LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

**Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

**Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

**Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

**All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact Parker Poe Adams & Bernstein LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: skiplohmeyer@parkerpoe.com

**To advise Parker Poe Adams & Bernstein LLP of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at skiplohmeyer@parkerpoe.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

**To request paper copies from Parker Poe Adams & Bernstein LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to skiplohmeyer@parkerpoe.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with Parker Poe Adams & Bernstein LLP**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to skiplohmeyer@parkerpoe.com and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> <li>• Allow per session cookies</li> <li>• Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li> </ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.



**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Parker Poe Adams & Bernstein LLP as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Parker Poe Adams & Bernstein LLP during the course of my relationship with you.

## EXHIBIT A-3

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## SECOND AMENDMENT TO CONVERTIBLE NOTE PURCHASE AGREEMENT

---

This Second Amendment to Convertible Note Purchase Agreement (this "*Amendment*") is entered into as of the \_\_\_\_ day of May, 2023 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as Schedule A (each an "*Investor*" and, collectively, the "*Investors*"), as such Schedule A may be amended in accordance with the Convertible Note Purchase Agreement dated February 21, 2021 (the "*Agreement*").

### RECITALS

**WHEREAS**, the Investors and the Company desire to enter into this Amendment to amend the Agreement on the terms and conditions set forth herein; and

**WHEREAS**, certain capitalized terms used herein shall have the meanings ascribed to them in the Agreement;

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

1. The definition of Maturity Date in the Agreement is deleted in its entirety and replaced with the following:

*"Maturity Date"* means August 21, 2023.

2. Within ten (10) days of execution of this Amendment, Company shall provide Investors with all of the information required under Section 7.3 of the Agreement, copies of all representations made by the Company to third-parties concerning the Company's financial condition, and such other financial information reasonably requested by Investors. Within five (5) days of execution of this Amendment, Company shall provide Investors with a schedule of all current shareholders and debtholders. Failure to provide any of this information shall be an immediate default of the Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized.

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

DocuSigned by:


*Owen Newport*

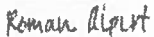
By: \_\_\_\_\_

Name: Owen Newport

Title: Chief Executive Officer


## INVESTORS:

DocuSigned by:  
  
 Robert Alpert

DocuSigned by:  
  
 Roman Alpert Trust

By: Roman Alpert

Title: Trustee & Beneficiary


  
 Don Sanders

DocuSigned by:  
  
 Andy Cracchiolo

DocuSigned by:  
  
 Elk Camp Ventures, LLC

By: Matthew Emerman

Title: Founding Member

DocuSigned by:  
  
 Hyperion Investments, LLC

By: Hyperion

Title: Manager

DocuSigned by:

R. David Hoover

The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: R. David HooverTitle: Trustee

The James W. Taylor Revocable Living Trust  
dated September 25, 2001

By: \_\_\_\_\_

Title: \_\_\_\_\_

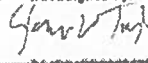
PAGE 4



The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: \_\_\_\_\_

Title: \_\_\_\_\_

DocuSigned by:  


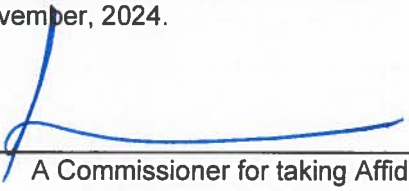
The James W. Taylor Revocable Living Trust  
dated September 25, 2001

By: Seanus \_\_\_\_\_

Title: Trustee \_\_\_\_\_

## **EXHIBIT B-1**

This is **Exhibit "TT"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**THE COURT OF COMMON PLEAS, CIVIL DIVISION  
CUYAHOGA COUNTY, OHIO**

Clerk of Courts | The Justice Center | 1200 Ontario Street 1st Floor, Cleveland, Ohio 44113

ROBERT ALPERT, ROMAN ALPERT AS  
TRUSTEE OF R, ET AL  
Plaintiff

CASE NO. CV23989133

JUDGE EMILY HAGAN

v.

FELIX PAYMENT SYSTEMS, LTD.  
Defendant

**SUMMONS**

SUMC RM

Notice ID: 52556271



From: ROMAN ALPERT P1  
7312 LOUETTA ROAD, #519  
BLDG. 518  
SPRING TX 77379

Atty.: CLARE MORAN

To: FELIX PAYMENT SYSTEMS, LTD. D1  
250 HOWE STREET, LEVEL 20  
SUITE 100-218  
VANCOUVER BC V6C 3R8

**NOTICE TO THE DEFENDANT:**

The Plaintiff has filed a lawsuit against you in this Court. You are named as a defendant. A copy of the **Complaint** is attached.

If you wish to respond to the Complaint, you must deliver a written **Answer** to the Plaintiff's attorney (or the Plaintiff if not represented by an attorney) at the above address *within 28 days* after receiving this Summons (not counting the day you received it). A letter or a phone call will not protect you. Civil Rule 5 explains the ways that you may deliver the **Answer** (<http://www.supremecourt.ohio.gov/LegalResources/Rules/civil/CivilProcedure.pdf>)

You must also file a copy of your **Answer** with this Court within 3 days *after* you serve it on the Plaintiff. You can file your **Answer** with the Clerk of Courts by one of the following methods: 1) In-person or by mail at the above address or 2) electronically through the online e-Filing system. For more information on using the e-Filing system, visit <http://coc.cuyahogacounty.us/en-US/efiling.aspx>.

If you fail to serve *and* file your **Answer**, you will lose valuable rights. The Court will decide the case in favor of the Plaintiff and grant the relief requested in the **Complaint** by entering a default judgment against you.

You may wish to hire an attorney to represent you. Because this is a civil lawsuit, the Court cannot appoint an attorney for you. If you need help finding a lawyer, contact a local bar association and request assistance.



Nailah K. Byrd  
Clerk of Court of Common Pleas  
216-443-7950

Date Sent: 12/11/2023

By         Clerk Byrd          
Deputy



## Cuyahoga County Clerk of Courts Nailah K. Byrd

### Multilingual Notice:

You have been named as a defendant in this Court. You must file an answer within 28 days; if you fail to answer, the Court may enter judgment against you for the relief stated in the Complaint. Seek assistance from both an interpreter and an attorney. Your inability to understand, write, or speak English will not be a defense to possible judgment against you.

#### 1. Spanish (US)

\*\*\*Aviso multilingüe:

Este Tribunal lo ha declarado como acusado. Debe presentar una respuesta en un plazo de 28 días. Si no contesta en dicho plazo, el Tribunal podrá dictar sentencia en su contra por el amparo que se detalla en la demanda. Solicite la ayuda de un intérprete y de un abogado. Su incapacidad para comprender, escribir o hablar inglés no se considerará como defensa ante una posible sentencia en su contra.

#### 2. Somali

\*\*\*Ogeysiis luqadda badan ah:

Waxaa lagu magacaabay sida eedeysane gudaha Maxkamadan. Waa in aad ku soo gudbisaa jawaab 28 maalmood gudahood; haddii aad ku guuldareysto jawaabta, Maxkamada laga yaabo in ay gasho xukun adiga kaa soo horjeedo ee ka nasashada lagu sheegay Cabashada. Raadi caawinta ka timid labadaba turjubaanka iyo qareenka. Karti la'aantaada aad ku fahmo, ku qoro, ama ku hadasho Af Ingiriisiga ma noqon doonto difaacida xukunkaaga suuralka ah ee adiga kugu lidka ah.

#### 3. Russian

\*\*\*Уведомление на разных языках:

Вы были названы в качестве ответчика в данном суде. Вы должны предоставить ответ в течение 28 дней; если Ваш ответ не будет получен, суд может вынести решение против Вас и удовлетворить содержащиеся в жалобе требования. Воспользуйтесь услугами переводчика и адвоката. Тот факт, что Вы не понимаете английскую речь и не можете читать и писать по-английски, не является препятствием для возможного вынесения судебного решения против Вас.

#### 4. Arabic

\*\*\*ملاحظة متعددة اللغات:

لقد تم اعتبارك مدعى عليه في هذه المحكمة. يجب أن تقدم ردا خلال 28 يوما؛ وإذا لم تقم بالرد، فقد تصدر المحكمة حكما ضداك بالتعويض المنصوص عليه في هذه الشكوى القضائية. اطلب المساعدة من مترجم فوري ومحام. فلن تعد عدم قدرتك على فهم اللغة الإنجليزية أو كتابتها أو تحدثها دفاعا لك أمام الحكم المحتمل ضداك.

#### 5. Chinese (Simplified)

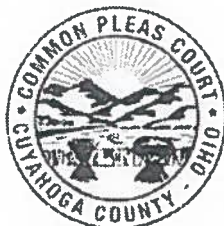
\*\*\*多語版本通知：

您在本法庭已被列为被告。您必须于 28

日内递交答辩状；如果没有递交答辩状，法庭会针对诉状中声明的补救措施对您作出不利判决。请向口译人员和律师寻求帮助。您无法理解、书写或说英语的情况不能作为对您可能作出不利判决的辩护理由。

Justice Center, 1st Floor • 1200 Ontario Street • Cleveland, Ohio 44113-1664 • 216.443.7950

Ohio Relay Service 711 • Website: [coc.cuyahogacounty.us](http://coc.cuyahogacounty.us)



**NAILAH K. BYRD**  
**CUYAHOGA COUNTY CLERK OF COURTS**  
1200 Ontario Street  
Cleveland, Ohio 44113

**Court of Common Pleas**

**New Case Electronically Filed: COMPLAINT**  
**November 27, 2023 16:45**

By: ROBERT D. ANDERLE 0064582

Confirmation Nbr. 3026833

ROBERT ALPERT, ROMAN ALPERT AS TRUSTEE OF  
R, ET AL

CV 23 989133

vs.

FELIX PAYMENT SYSTEMS. LTD.

**Judge: EMILY HAGAN**

**Pages Filed: 118**



IN THE COURT OF COMMON PLEAS  
CUYAHOGA COUNTY, OHIO

<b>ROBERT ALPERT</b>	)	
7312 Louetta Road #519	)	CASE NO.
Bldg 518	)	
Spring, TX 77379	)	JUDGE
	)	
<b>ROMAN ALPERT AS TRUSTEE OF</b>	)	
<b>ROMAN ALPERT TRUST</b>	)	
7312 Louetta Road #519	)	
Bldg 518	)	
Spring, TX 77379	)	
	)	<b>COMPLAINT FOR BREACH OF</b>
<b>DON SANDERS</b>	)	<b>CONTRACT</b>
5900 JP Morgan Chase Tower	)	
600 Travis, Suite 5800	)	
Houston, TX 77002	)	
	)	
<b>ANDY CRACCHIOLO</b>	)	<b>JURY DEMAND ENDORSED</b>
3219 East Camelback Road, #785	)	<b>HEREON</b>
Phoenix, AZ 85018	)	
	)	
<b>ELK CAMP VENTURES, LLC</b>	)	
8 The Green, Suite R	)	
Dover, DE 19901	)	
	)	
<b>HYPERION INVESTMENTS, LLC</b>	)	
1720 Magoffin Ave.	)	
El Paso, TX 79901	)	
	)	
	)	
<b>JAMES TAYLOR AS TRUSTEE OF</b>	)	
<b>JAMES TAYLOR IRREVOCABLE</b>	)	
<b>TRUST</b>	)	
181 Elmwood Avenue Ext.	)	
Gloversville, NY 12078	)	
	)	
<b>R. DAVID HOOVER AS TRUSTEE OF</b>	)	
<b>THE R. DAVID HOOVER REVOCABLE</b>	)	
<b>TRUST</b> dated January 30, 1997, as amended	)	
and restated September 14, 2012	)	
7209 Rustic Trail	)	
Boulder, CO 80301	)	
	)	
Plaintiffs,	)	

vs.

**FELIX PAYMENT SYSTEMS, LTD**

250 Howe Street, Level 20

Suite 100-218

Vancouver, BC V6C 3R8

Defendant.

Now come Plaintiffs Robert Alpert, Roman Alpert Trust, Don Sanders, Andy Cracchiolo, Elk Camp Ventures, LLC, Hyperion Investments, LLC, James Taylor Irrevocable Trust, and the R. David Hoover Revocable Trust dated January 30, 1997, as amended and restated September 14, 2012 (collectively, "Plaintiffs"), by and through their undersigned counsel, and for their Complaint against Defendant Felix Payment Systems, LTD, ("Defendant") allege and aver as follows:

#### NATURE OF ACTION

1. Plaintiffs are investors who individually loaned funds to Defendant subject to a Convertible Note Purchase Agreement (attached as Exhibits A-1 through A-3) and Convertible Promissory Notes (attached as Exhibits B-1 to B-13). Payment of the principal and accrued interest on each of the Plaintiffs' respective Convertible Promissory Notes became due on August 21, 2023. However, Defendant has failed and/or refused to make said payments to Plaintiffs. Accordingly, Defendant has breached the Convertible Note Purchase Agreement and the Convertible Promissory Notes, and Plaintiffs are entitled to judgment against Defendant for the principal and accrued interest loaned to Defendant subject to these agreements.

#### THE PARTIES

2. Plaintiff Robert Alpert is a natural person and is an Investor in Defendant.

3. Plaintiff Roman Alpert Trust is a trust formed under the laws of the State of Texas,

Roman Alpert Trustee. The Trust is an Investor in Defendant.

4. Plaintiff Don Sanders is a natural person who is an Investor in Defendant.
5. Plaintiff Andy Cracchiolo is a natural person who is an Investor in Defendant.
6. Plaintiff Elk Camp Ventures, LLC is a Delaware limited liability company. Elk Camp is an Investor in Defendant.
7. Plaintiff Hyperion Investments, LLC is a Texas limited liability company. Hyperion is an Investor in Defendant.
8. Plaintiff the James Taylor Irrevocable Trust is a trust formed under the laws of the State of New York, James Taylor, trustee. The Trust is an Investor in Defendant.
9. Plaintiff R. David Hoover Revocable Trust is a trust formed under the laws of the State of Colorado, R. David Hoover trustee. The Trust is an Investor in Defendant.
10. Defendant Felix Payment Systems, Ltd. is, upon information and belief, is a corporation formed under the laws of British Columbia, Canada, and is registered in and doing business in British Columbia, Canada.

#### **JURISDICTION AND VENUE**

11. This court has subject matter jurisdiction under R.C. 2305.01.
12. Venue is proper and this Court has personal jurisdiction over the Defendant pursuant to Section 9.9 of the Convertible Note Purchase Agreement (the "Purchase Agreement"). Section 9.9 provides:

Law Governing: Jurisdiction. The laws of Ohio (without giving effect to its conflicts of law principles) govern this Agreement and all matters arising out of or relating to this Agreement and the transactions contemplated hereby. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the federal or state courts of the State of Ohio over any proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in

respect of such proceeding may be heard and determined in such courts. The parties hereto hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any proceeding brought in such courts or any claim that such proceeding brought in such courts has been brought in an inconvenient forum. Each of the parties hereto agrees that a judgment in such proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. Each of the parties hereto hereby irrevocably consents to process being served by any other party to this Agreement in any proceeding by delivery of a copy thereof in accordance with the provisions of Section 9.1.

### FACTUAL ALLEGATIONS

13. On or about February 21, 2021, Defendant and the Plaintiffs entered into the Purchase Agreement pursuant to which Plaintiffs (referred to as "Investors" in the Agreement) loaned Defendant (referred to as the "Company" in the Agreement) the following amounts:

Investor Name	Loan Amount (s)
Robert Alpert	<ul style="list-style-type: none"> <li>- \$25,000 (with interest calculated from September 21, 2020)</li> <li>- \$50,000 (with interest calculated from December 21, 2020)</li> <li>- \$50,000 (with interest calculated from January 5, 2021)</li> <li>- \$200,000 (with interest calculated from February 19, 2021)</li> <li>- \$150,000 (with interest calculated from February 19, 2021)</li> <li>- \$112,250 (with interest calculated from June 8, 2022)</li> </ul>
Roman Alpert Trust	\$150,000 (with interest calculated from February 12, 2021)
Don Sanders	\$150,000 (with interest calculated from February 17, 2021)
Andy Cracchiolo	\$150,000 (with interest calculated from February 21, 2021)
Elk Camp Ventures, LLC	\$25,000 (with interest calculated from February 21, 2021)
Hyperion Investments, LLC	\$50,000 (with interest calculated from February 21, 2021)
The R. David Hoover Revocable Trust dated January 30, 1997 as	\$100,000 (with interest calculated from February 25, 2021)

amended and restated September 14, 2012	
The James W. Taylor Revocable Living Trust dated September 25, 2001	\$50,000 (with interest calculated from February 25, 2021)

14. Pursuant to the Purchase Agreement, Defendant issued to each Plaintiff one or more Convertible Promissory Notes (the "Notes") promising to pay the Plaintiffs the principal sums loaned plus interest at a rate of 6% per annum accruing from the date specified in the Note.

15. The Purchase Agreement and the Notes are governed by the laws of the State of Ohio.

16. The Purchase Agreement and the Notes permit the Plaintiffs to elect between repayment of the Notes or conversion of the Notes into shares of the Defendant company upon the occurrence of an equity financing, prior to the maturity date, or upon the sale of the company. However, the Plaintiffs did not make such an election and instead seek repayment of the principal amount loaned plus accrued interest pursuant to the Purchase Agreement and the Notes.

17. Section 1.3 of the Purchase Agreement governs repayments. It provides, in pertinent part:

(a) *Mandatory Repayments.* The full and unpaid principal amount of the Notes, together with all accrued and unpaid interest thereon, shall be paid in full by the Company to the Investors on the earlier of (i) the Maturity Date, (ii) a Sale of the Company, and (iii) an Event of Default in which the Notes have been accelerated by the Investors or are automatically accelerated in accordance with the provisions of this Agreement.

18. Section 2 of the Notes also governs repayments. It provides, in pertinent part:

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date, (ii) a Sale of the Company, and (iii)



- (b) an Event of Default in which the Notes have been accelerated by the Investor or are automatically accelerated in accordance with the provisions of the Purchase Agreement.

19. The Purchase Agreement required Defendant to make certain financial disclosures so long as any Note is outstanding, including balance sheets and statements of income and cash flow prepared in accordance with GAAP. It also required Defendant to be responsible for the fees and expenses of attorneys, accountants, consultants and any other representative or agent retained by the Plaintiffs regarding the Purchase Agreement.

20. The Purchase Agreement originally defines the term "Maturity Date" as the date of the eighteen (18) month anniversary of the Effective Date. The Effective Date of the Agreement is February 21, 2021.

21. However, on or about February 5, 2023, pursuant to a First Amendment to the Convertible Note Purchase Agreement (the "First Amendment"), the Purchase Agreement was amended to state that the Maturity Date was changed to May 21, 2023. See Exhibit A-2. In the First Amendment, the parties also agreed that effective February 1, 2023, all accrued and unpaid interest on each Note shall be added to the principal balance of each Note. The new principal balance for each Investor and Note is listed below:

Investor Name	Original Principal Balance	New Principal Balance
Robert Alpert	\$25,000	\$28,795.77
	\$50,000	\$56,738.54
	\$50,000	\$56,599.12
	\$200,000	\$224,732.18
	\$150,000	\$168,549.18
	\$112,250	\$116,698.39
Roman Alpert Trust	\$150,000	\$168,742.41
Don Sanders	\$150,000	\$168,604.36
Andy Cracchiolo	\$150,000	\$168,493.91



Elk Camp Ventures, LLC	\$25,000	\$28,082.32
Hyperion Investments, LLC	\$50,000	\$56,164.64
The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012	\$100,000	\$112,255.64
The James W. Taylor Revocable Living Trust dated September 25, 2001	\$50,000	\$56,127.82

22. Finally, in the First Amendment the parties agreed that upon the occurrence of an Event of Default, the interest rate of each Note shall automatically, and without notice, increase to eighteen percent (18%).

23. In or about May 2023, pursuant to a Second Amendment the Convertible Note Purchase Agreement (the "Second Amendment") the Purchase Agreement was again amended, such that the Maturity Date was extended to August 21, 2023. See Exhibit A-3.

24. Defendant has failed and/or refused to pay Plaintiffs both the principal amount due under their respective Notes and the accrued interest due thereon by the amended Maturity Date of August 21, 2023. Each Plaintiff is currently due and owed the total amount of the principal loaned pursuant to each Note and the interest accruing thereon. Defendant's failure also constitutes an Event of Default as set forth in the Purchase Agreement trigger the automatic increase in the interest rate to eighteen percent (18%).

25. Defendants' failure to repay the Plaintiffs is a breach of the Purchase Agreement and the Notes, and each Plaintiff is therefore entitled to judgment against Defendant in the amount of the principal loaned to Defendant plus interest accruing as of the date set forth in each Plaintiff's respective Note(s).

26. On August 22, 2023, Plaintiffs sent correspondence to Defendant advising of the default on the Notes for the failure to pay as well as Defendant's failure to provide requested financial information as required by the Purchase Agreement. Since that date, Defendant has failed to pay any amounts due on the Notes or provide requested financial information as required by the Purchase Agreement and Notes.

27. Instead of fulfilling any of its obligations under the Notes and Purchase Agreement, Defendant has attempted to mislead Plaintiffs including misrepresenting it had made a \$2,000,000 wire transfer to Plaintiffs.

#### COUNT I-BREACH OF CONTRACT

28. Plaintiffs reincorporate by reference the allegations set forth above as if fully rewritten herein.

29. Defendant and Plaintiffs entered into and agreed to be bound by the Purchase Agreement (including its amendments) and the Notes for good and valuable consideration.

30. The terms of the Purchase Agreement and the Notes required, *inter alia*, that Defendant repay each Plaintiff the principal amounts loaned plus interest accruing thereon by the Maturity Date of August 21, 2023.

31. Defendant has breached the Purchase Agreement and Notes in that it has failed and/or refused to repay the principal amount loaned by each Plaintiff plus interest accruing from the date set forth in each Plaintiff's respective Note(s).

32. Defendant also has breached the Purchase Agreement and Notes in that it has failed to provide accurate and adequate financial information.

33. The Plaintiffs fully performed their obligations under the Purchase Agreement and Notes.

34. As a direct and proximate result of Defendant's breach of contract, Plaintiffs have suffered damages in an amount greater than \$25,000, plus costs, interest, and reasonable attorneys' fees.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs demand judgment against Defendant as follows:

- a. In favor of Robert Alpert in the amount \$28,795.77, plus interest;
- b. In favor of Robert Alpert in the amount \$56,738.54, plus interest;
- c. In favor of Robert Alpert in the amount \$56,599.12, plus interest;
- d. In favor of Robert Alpert in the amount \$224,732.18, plus interest;
- e. In favor of Robert Alpert in the amount \$168,549.18, plus interest;
- f. In favor of Robert Alpert in the amount \$116,698.39, plus interest;
- g. In favor of the Roman Alpert Trust in the amount \$168,742.41, plus interest;
- h. In favor of Don Sanders in the amount \$168,604.36, plus interest;
- i. In favor of Andy Cracchiolo in the amount \$168,493.91, plus interest;
- j. In favor of Elk Camp Ventures, LLC in the amount \$28,082.32, plus interest;
- k. In favor Hyperion Investments, LLC in the amount \$56,164.64, plus interest;
- l. In favor of The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012 in the amount \$112,255.64 plus interest;
- m. In favor of The James W. Taylor Revocable Living Trust dated September 25, 2001 in the amount \$56,127.82 plus interest;
- n. costs, reasonable attorneys' fees, and such other relief as this Court deems just and equitable.

Respectfully submitted,

*s/Robert D. Anderle*

Robert D. Anderle (0064582)

Clare C. Moran (0081134)

Seeley, Savidge, Ebert & Gourash, Co. LPA

26600 Detroit Road, Suite 300

Westlake, Ohio 44145

(216) 566.8200 | (216) 566.0213

[rdanderle@sseg-law.com](mailto:rdanderle@sseg-law.com)

[cmoran@sseg-law.com](mailto:cmoran@sseg-law.com)

*Attorneys for Plaintiffs*

**DEMAND FOR JURY TRIAL**

TRIAL BY JURY IS HEREBY DEMANDED ON ALL ISSUES SO TRIABLE.

*s/ Robert D. Anderle*

Robert D. Anderle (0064582)

**EXHIBIT A-1**

---

## CONVERTIBLE NOTE PURCHASE AGREEMENT

---

This Convertible Note Purchase Agreement (this "*Agreement*") is entered into as of the 21<sup>st</sup> day of February, 2021 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as **Schedule A** (each an "*Investor*" and, collectively, the "*Investors*"), as such **Schedule A** may be amended in accordance with this Agreement.

### RECITALS

**WHEREAS**, the Investors and the Company desire to enter into this Agreement with respect to certain funding transactions for the benefit of the Company on the terms and conditions set forth herein; and

**WHEREAS**, certain capitalized terms used herein shall have the meanings ascribed to them in Section 8.1 of this Agreement;

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

#### SECTION 1. TERMS OF THE NOTES

##### Section 1.1      General Description of the Notes.

(a) On the Effective Date, the Company will issue to each Investor a convertible promissory note representing the loan to be made by such Investor at or prior to the Initial Closing (as hereinafter defined) in the principal amount set forth opposite such Investor's name on **Schedule A** hereto (each a "*Note*" and, collectively, the "*Notes*"), and, in accordance with Section 2.1(b), the Company will issue a convertible promissory notes representing the principal amounts of the loans to be made by the investors participating in any Additional Closing (as hereinafter defined) (each, an "*Additional Investor*"), in each case, in the form of Exhibit 1.1 attached hereto and pursuant to the terms and conditions of this Agreement and the Notes issued to Investors. Any Notes issued at an Additional Closing shall be deemed to be "*Notes*" under this Agreement and all Additional Investors shall be deemed to be "*Investors*" under this Agreement.

(b) Unless earlier converted into Equity Securities of the Company pursuant to the terms hereof, the aggregate outstanding principal amount of the Notes plus accrued and unpaid interest thereon shall be due and payable in full on the Maturity Date. The Notes shall bear interest (based on a 365-day year) on the unpaid principal amount thereof until due and payable at the rate of six percent (6%) per annum. In the event of any conflict between the terms of the Notes and the terms of this Agreement, the terms of this Agreement shall control.

Section 1.2      Payments and Endorsements. Payments of principal and interest on the Notes and other amounts due to each Investor with respect to the Obligations shall be made by certified check or wire



transfer of immediately available federal funds to the account designated in writing by such Investor, without any presentment or notation of payment.

Section 1.3 Repayments.

(a) *Mandatory Repayments.* The full unpaid principal amount of the Notes, together with all accrued and unpaid interest thereon, shall be paid in full by the Company to the Investors on the earlier of (i) the Maturity Date, (ii) a Sale of the Company, and (iii) an Event of Default in which the Notes have been accelerated by the Investors or are automatically accelerated in accordance with the provisions of this Agreement.

(b) *No Optional Prepayments.* The Company may not prepay the Notes without the prior written consent of the Requisite Investors.

(c) *Application of Payment.* All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest on the Notes, and (iii) third, to the principal amount of the Notes.

Section 1.4 Replacement of the Notes. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of a Note and, if requested in the case of any such loss, theft or destruction, upon delivery of an indemnity bond or other agreement or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of a Note, the Company will issue a new Note, of like tenor and amount and dated the date to which interest has been paid, in lieu of the lost, stolen, destroyed or mutilated Note; provided, however, if a Note is lost, stolen or destroyed, the affidavit of the Investor (or an authorized partner or officer of Investor) setting forth the circumstances with respect to such loss, theft or destruction shall be accepted as satisfactory evidence thereof.

Section 1.5 Security. The Notes are unsecured obligations of the Company.

Section 1.6 Conversion Rights and Obligations.

(a) *Optional Conversion upon Equity Financing.* If, prior to the Maturity Date, the Company intends to consummate an Equity Financing, it shall provide the Investors with prior written notice of at least twenty (20) days, such notice to set out the material terms of the Equity Financing. Upon the consummation of such Equity Financing, the Investors may elect, upon the approval of the Requisite Investors, to convert the Notes (in whole or in part) into the number of shares of the Equity Securities issued by the Company pursuant to the Equity Financing equal to the greater of (i) the number of shares of the Equity Securities resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes to be converted by (B) eighty-five percent (85%) of the price per Equity Security (excluding conversion of the Notes) in the Equity Financing; or (ii) the number of shares of the Equity Securities resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes to be converted by (B) a price per Equity Security calculated prior to the Equity Financing using the Valuation Cap. Promptly after the closing of the Equity Financing, the Company shall deliver to the Investors written notices accompanied by any certificates representing the Equity Securities into which the Notes have been converted, registered in the name of the Investors, and against such delivery, the Investors shall surrender the Notes to the Company, duly endorsed to the Company or marked as cancelled. Each Investor shall also execute and deliver any securities purchase agreements, shareholders agreement or other equity agreements as are agreed to by the Investors, the Company and the other investors in the Equity Financing and the Investors shall receive the same rights (including, without limitation, information and access rights,

preemptive rights, put or call rights, co-sale rights, registration rights and other investor rights and protective provisions) as any other investor in the Equity Financing.

(b) *Optional Conversion prior to Maturity Date.* If not sooner repaid or converted in an Equity Financing prior to the Maturity Date, the Investors may elect, upon the approval of the Requisite Investors, to convert the entire unpaid principal and interest outstanding under the Notes into the number of Common Shares of the Company resulting from dividing (i) the outstanding principal and accrued but unpaid interest under the Notes; by (ii) a price per Equity Security calculated using the Valuation Cap. Promptly (and in any event within five (5) days of the Company's receipt of the written election by the Investors to convert pursuant to this Section 1.6(b)), the Company shall deliver to Investors written notices accompanied by any certificate representing the Equity Securities into which the Note has been converted, registered in the name of the Investors, and against such delivery, Investors shall surrender the Note to the Company, duly endorsed to the Company or marked as cancelled. In the event of a conversion pursuant to this Section 1.6(b), the Company covenants and agrees to negotiate and enter into a shareholders agreement to include commercial terms typical for an institutional investment transaction.

(c) *Optional Conversion upon the Occurrence of a Sale of the Company.* Notwithstanding any provision of this Agreement and the Notes to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of the Notes, (i) the Company shall notify Investors in writing not less than fifteen (15) days prior to the date on which the closing of the Sale of the Company is expected to occur, and (ii) Investors may elect, upon the approval of the Requisite Investors, with such election delivered to the Company at least five (5) days prior to the Sale of the Company, to convert the entire unpaid principal and interest outstanding under the Notes into the number of Common Shares of the Company resulting from dividing (A) the outstanding principal and accrued but unpaid interest under the Notes; by (B) a price per Equity Security calculated using the Valuation Cap. Promptly (and in any event within two (2) Business Days of the Company's receipt of such written election by the Investors to convert pursuant to this Section 1.6(c)), the Company shall deliver to Investors written notices accompanied by any certificate representing the Equity Securities into which the Notes have been converted, registered in the name of the Investors, and against such delivery, Investors shall surrender the Notes to the Company, duly endorsed to the Company or marked as cancelled.

(d) *No Impairment.* The Company will not, through any reorganization, transfer of assets, issuance or sale of Equity Securities or otherwise, avoid or seek to avoid the observance or performance of any of the terms of this Section 1.6 or the other provisions of this Agreement and will at all times in good faith assist in the carrying out of the provisions hereof and in the taking of all actions as may be necessary in order to protect the conversion and other rights of the Investors hereunder against impairment.

## SECTION 2. CLOSING

### Section 2.1      Closings.

(a) Subject to the satisfaction of the conditions set forth in SECTION 3, the sale and purchase of the initial Notes shall occur on the Effective Date (the "*Initial Closing*"); provided, that certain Notes issued at the Initial Closing relate to loans provided to the Company prior to the Effective Date. At the Initial Closing, the Company will deliver to Investors the initial Notes against delivery by Investors to the Company of the amount of the purchase price therefor by wire transfer of immediately available funds to the account specified in writing by the Company.

(b) Subject to the satisfaction of the applicable conditions set forth in SECTION 3, the sale and purchase of the additional Notes shall occur on a date designated by the Requisite Investors at any

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time and from time to time prior to the date which is six (6) months after the Effective Date (each an "Additional Closing" and, together with the Initial Closing, each a "Closing"). At each Additional Closing, the Company will deliver to Additional Investors the additional Notes against delivery by the Additional Investors to the Company of the amount of the purchase price therefor by wire transfer of immediately available funds to the account specified in writing by the Company. Unless agreed to by the Company, the aggregate principal amount of the Notes issued pursuant to this Agreement shall not exceed \$1,000,000. Each Additional Investor shall become a party to this Agreement by executing and delivering to the Company an additional counterpart signature page to this Agreement and **Schedule A** hereto shall be updated to reflect the Notes purchased and sold in such Closing without any further action required on the part of the Company or any Investor.

**Section 2.2 Use of Proceeds.** The proceeds from the sale of the Notes shall be used to provide interim working capital to (a) support the Company's development efforts and pilot program to seek card network approval and (b) provide the Company the timeline necessary to complete the Equity Financing.

### **SECTION 3.** **CONDITIONS PRECEDENT TO OBLIGATIONS OF INVESTOR**

Investor's obligation to purchase a Note shall be subject to the satisfaction of the following conditions precedent:

**Section 3.1 Representations and Warranties.** The representations and warranties of the Company in this Agreement are true and correct in all material respects at the time of the applicable Closing.

**Section 3.2 Performance; No Default.** The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the applicable Closing and after giving effect to the issue and sale of the Notes, no Event of Default shall have occurred and be continuing as of the applicable Closing.

**Section 3.3 Intentionally Left Blank.**

**Section 3.4 No Injunctions.** No injunction, preliminary injunction or temporary restraining order shall be threatened or shall exist as of the applicable Closing that prohibits or may prohibit the transactions contemplated by this Agreement, and no litigation or similar proceeding (including, without limitation, any litigation or other proceeding seeking injunctive or similar relief) shall be threatened or shall exist with respect to the transactions contemplated by this Agreement.

**Section 3.5 Documents.** Investors shall have received in form and substance satisfactory to Investors each of the following:

- (a) **Notes.** Notes duly executed by the Company in favor of Investors.
- (b) **Agreement.** A counterpart of this Agreement duly executed by the Company.
- (c) **Approvals and Consents.** Copies of all required consents, authorizations, filings, licenses and approvals, if any, in connection with the execution, delivery and performance by the Company, and the validity and enforceability of, this Agreement and the Notes.
- (d) **Closing Certificate.** A certificate of an authorized officer of the Company, dated as of the applicable Closing, certifying on behalf of the Company that the closing conditions set forth in **Section 3.1**, **Section 3.2** and **Section 3.4** have been satisfied.



Section 3.6 Additional Closing Conditions. As a condition to the obligation of Investors to consummate an Additional Closing, (a) the Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at an Additional Closing, and (b) the representations and warranties of the Company in this Agreement shall be true and correct in all material respects at the time of an Additional Closing.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Investors that the following statements are true, correct and complete as of the Initial Closing and any Additional Closing:

Section 4.1 Organization, Good Standing, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the Province of British Columbia, and has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted. The Company is duly qualified and authorized to do business, and is in good standing as a foreign corporation, in each jurisdiction where the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except where the failure to be so qualified would not have a Material Adverse Effect upon the financial condition or operations of the Company or its properties.

Section 4.2 Capitalization. The authorized capital of the Company consists, immediately prior to the Closing, of common shares (the "*Common Shares*"), 2,315,828 shares of which are issued and outstanding immediately prior to the Initial Closing. All of the outstanding Common Shares have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws. Except for such outstanding Common Shares, there are no other issued and outstanding Equity Securities of the Company of any kind, class or character. There are no outstanding or authorized subscriptions, options, warrants, rights, agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance or redemption of any Equity Securities, or any options or rights with respect thereto. There are no agreements to which the Company is a party or by which it is bound with respect to the voting, registration or the sale or transfer of any Equity Securities of the Company. Upon any conversion of the Notes into Equity Securities of the Company as provided for in this Agreement, such Equity Securities will be duly authorized, validly issued, and free and clear of any Liens when issued in accordance with this Agreement and the Notes.

Section 4.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not, directly or indirectly, a participant in any joint venture or partnership.

Section 4.4 Authorization. All corporate action required to be taken by the Company to authorize the Company to enter into this Agreement and to issue the Notes at the Closings has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of this Agreement, the performance of all obligations of the Company under this Agreement to be performed as of the Closings, and the issuance and delivery of the Notes has been taken. This Agreement and the Notes, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

Section 4.5 Title to Properties and Assets. The Company has good and marketable title to its properties and assets (except properties and assets held under capitalized leases) and has good title to all its leasehold interests, in each case subject to no Liens. The tangible property and assets held by the Company

under any lease are held under leases that remain in force, and there exists no default or other occurrence or condition that could result in a default or termination thereunder.

**Section 4.6 Material Liabilities.** The Company has no material liability or obligation, absolute or contingent (individually or in the aggregate), except obligations and liabilities incurred in the ordinary course of business that are not individually or in the aggregate material or that are of a type or nature not required under GAAP to be reflected in financial statements. Neither the Company nor any officer of the Company has knowledge of any basis for any other material claim against or liability or obligation of the Company. The Company does not have any outstanding indebtedness for borrowed money.

**Section 4.7 Obligations to Related Parties.** There are no material liabilities or obligations, absolute or contingent (individually or in the aggregate), of the Company to officers, managers, members, or employees, including any member of their immediate families, other than (a) for payment of normal base salary for services rendered, (b) reimbursement of reasonable expenses incurred on behalf of the Company, and (c) for other standard employee benefits made generally available to all employees. None of the officers, managers, members, or employees of the Company, or any member of their immediate families, are indebted to the Company. No officer, manager or member, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company (other than such contracts as relate to any such person's ownership of Common Shares or other securities of the Company).

**Section 4.8 Litigation.** There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any Governmental Authority, or to the Company's knowledge, currently threatened in writing (a) against the Company or (b) against any consultant, officer, manager, member or of the Company arising out of his or her consulting, employment or other relationship with the Company or that could otherwise materially impact the Company.

**Section 4.9 Intellectual Property.** The Company owns or possesses sufficient legal rights to all Intellectual Property (as defined below) that is necessary to the conduct of the Company's business as now conducted and as presently proposed to be conducted (the "*Company Intellectual Property*") without any violation or infringement (or in the case of third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications, without any violation or infringement known to the Company) of the rights of others. No product or service marketed or sold (or proposed to be marketed or sold) by the Company violates or will violate any license or infringes or will infringe any rights to any patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes (collectively, "*Intellectual Property*") of any other party, except that with respect to third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications the foregoing representation is made to the Company's knowledge only. Other than with respect to commercially available software products under standard end-user object code license agreements, there is no outstanding option, license, agreement, claim, encumbrance or shared ownership interest of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the Intellectual Property of any other person. The Company has not received any written communications alleging that the Company has violated or, by conducting its business, would violate any of the Intellectual Property of any other person.

**Section 4.10 Employee and Consultant Matters.** Each current and former employee, consultant and officer of the Company has executed an agreement with the Company regarding confidentiality and proprietary information substantially in the form or forms delivered to the Investors. No current or former employee or consultant has excluded works or inventions from his or her assignment of inventions pursuant to such agreement. To the Company's knowledge, no such employees or consultants is in violation thereof. To the Company's knowledge, none of its employees is obligated under any judgment, decree, contract, covenant or agreement that would materially interfere with such employee's ability to promote the interest

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of the Company or that would interfere with such employee's ability to promote the interests of the Company or that would conflict with the Company's business.

**Section 4.11 Compliance with Other Instruments.** The Company is not in violation or default (a) of any provisions of its Certificate of Incorporation or its bylaws; (b) of any judgment, order, writ or decree of any court or Governmental Authority; (c) under any agreement, instrument, contract, lease, note, indenture, mortgage or purchase order to which it is a party, or, (d) to its knowledge, of any provision of any law applicable to the Company. The execution, delivery and performance of this Agreement and the Notes and the consummation of the transactions contemplated hereby will not result in any such violation or default, or constitute, with or without the passage of time and giving of notice, either (i) a default under any such judgment, order, writ, decree, agreement, instrument, contract, lease, note, indenture, mortgage or purchase order or (ii) an event which results in the creation of any Lien upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

**Section 4.12 Material Agreements.** Except for this Agreement and the Notes, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party that involve (a) obligations (contingent or otherwise) of, or payments to, the Company in excess of \$25,000, (b) the license of any Intellectual Property to or from the Company other than licenses with respect to commercially available software products under standard end-user object code license agreements or standard customer terms of service and privacy policies for Internet sites, (c) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other person, or that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (d) indemnification by the Company with respect to infringements of proprietary rights other than standard customer or channel agreements (each, a "**Material Agreement**"). The Company is not in material breach of any Material Agreement. Each Material Agreement is in full force and effect and is enforceable by the Company in accordance with its respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) the effect of rules of law governing the availability of equitable remedies.

**Section 4.13 Offering.** Assuming the accuracy of the representations and warranties of the Investors contained in **SECTION 5**, the offer, issuance and sale of the Notes and the Equity Securities into which such Notes are convertible (collectively, the "**Issued Securities**") are and will be exempt from the registration and prospectus delivery requirements under applicable law, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

**Section 4.14 Disclosure.** No representation or warranty made by the Company in this Agreement or the Notes or any financial statement, certificate, Schedule or exhibit prepared and furnished or to be prepared and furnished by the Company or its representatives pursuant hereto contains or will contain any untrue statement of material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were furnished.

## **SECTION 5.** **REPRESENTATIONS AND WARRANTIES OF INVESTORS**

Each Investor, for that Investor alone, represents and warrants to the Company that as of the Initial Closing and any Additional Closing:



Section 5.1 Power and Authority. The Investor has the requisite capacity, power or authority to enter into this Agreement and to purchase the Note such Investor has agreed to purchase subject to all of the terms of this Agreement and the Note.

Section 5.2 Due Execution. This Agreement has been duly authorized, executed and delivered by the Investor, and, upon due execution and delivery by the Company, this Agreement will be a valid and legally binding obligations of the Investor, enforceable against the Investor in accordance with their terms.

Section 5.3 Investment Representations.

(a) This Agreement is made with the Investor in reliance upon the Investor's representation to the Company, which by such its acceptance hereof the Investor hereby confirms, that the Issued Securities to be received by such Investor will be acquired for investment for such Investor's own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that such Investor has no present intention of selling, granting participation in, or otherwise distributing the same. By executing this Agreement, the Investor further represents that such Investor does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person, or to any third person, with respect to any of the Securities.

(b) The Investor understands that the Issued Securities have not been registered under applicable law on the grounds that the sale provided for in this Agreement and the issuance of Issued Securities hereunder is exempt from registration under applicable law, and that the Company's reliance on such exemption is predicated in part on the Investor's representations set forth herein. The Investor realizes that the basis for the exemption may not be present if, notwithstanding such representations, the Investor has in mind merely acquiring the Issued Securities for a fixed or determined period in the future, or for a market rise, or for sale if the market does not rise. The Investor does not have any such intention.

(c) The Investor represents and warrants that: (i) such Investor's financial situation is such that such Investor can afford to bear the economic risk of holding the Issued Securities purchased by such Investor for an indefinite period of time and suffer a complete loss of such Investor's investment in the Issued Securities; (ii) such Investor's knowledge and experience in financial and business matters are such that such Investor is capable of evaluating the merits and risks of such Investor's purchase of the Issued Securities as contemplated by this Agreement; (iii) such Investor understands that such Investor's purchase of the Issued Securities is a speculative investment; (iv) the purchase of the Issued Securities by such Investor has been duly and properly authorized and this Agreement has been duly executed by such Investor or on such Investor's behalf, and constitutes such Investor's valid and legally binding obligation enforceable in accordance with its terms; and (v) such Investor has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the sale of the Issued Securities.

(d) The Investor understands that the Issued Securities may not be sold, transferred or otherwise disposed of without registration under applicable law or an exemption therefrom, and that in the absence of an effective registration statement covering the Issued Securities or an available exemption from registration under applicable law, the Issued Securities must be held indefinitely. The Investor represents that, in the absence of an effective registration statement covering the Issued Securities such Investor will sell, transfer, or otherwise dispose of the Issued Securities only in a manner consistent with the representations set forth herein.

(e) The Investor agrees that in no event will such Investor make a transfer or disposition of any of the Issued Securities (other than pursuant to an effective registration statement under applicable law), unless and until (i) such Investor shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition, and (ii) if requested by the Company, at the expense of such Investor or transferee, such

Investor shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company, to the effect that such transfer may be made without registration under applicable law. Notwithstanding the provisions of this Section 5.3(e), no such opinion shall be required in the case of transfers made by the Investor to an Affiliate of such Investor.

(f) The Investor understands that each certificate representing the Equity Securities into which such Notes are convertible will be endorsed with a legend substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER APPLICABLE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER APPLICABLE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION UNDER APPLICABLE SECURITIES LAWS.

Section 5.4 Government Consents. No consent, approval or authorization of or designation, declaration or filing with any state, federal, or foreign governmental authority on the part of the Investor because of any special characteristic of the Investor is required in connection with the valid execution and delivery of this Agreement by the Investor, and the consummation by the Investor of the transactions contemplated hereby and thereby; provided, however, that the Investor makes no representations as to the Company's compliance with applicable state securities laws.

Section 5.5 Litigation. There is no claim, action, suit, proceeding, complaint, charge or investigation pending or, to Investor's knowledge, threatened against Investor before any court or administrative agency or that questions the validity of this Agreement or the right of Investor to enter them or consummate the transactions contemplated by them.

## SECTION 6. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. The occurrence or existence of any one or more of the following events shall constitute an "Event of Default":

(a) The failure by the Company to pay the principal amount of any Note or interest accrued thereon when due, and such non-payment continues for a period of five (5) calendar days thereafter;

(b) The material breach by the Company of any representation, warranty or covenant of the Company in this Agreement or any Note, and, in the case of a breach of any such covenant, the failure of the Company to cure such breach within ten (10) calendar days after receipt of written notice thereof;

(c) The commencement by or against the Company of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or applicable state law that remains un-dismissed for a period of ninety (90) days; and

(d) The cessation of the Company's business operations.

Section 6.2 Remedies of the Investors Agent upon Occurrence of Event of Default. Upon the occurrence of an Event of Default (other than an Event of Default described in Section 6.1(c) or Section 6.1(d)), the Investors may, by written notice to the Company, declare the entire amount of the Obligations, including, without limitation, the entire principal and all accrued interest then outstanding under the Notes,

to be, and the same shall thereupon become, immediately due and payable in full by the Company. When any Event of Default described in Section 6.1(c) or Section 6.1(d) shall occur, the entire amount of the Obligations, including, without limitation, the entire principal and all accrued interest then outstanding under the Notes shall thereupon become immediately due and payable without notice of any kind (including any notice by or consent of the Investor), which notice is hereby expressly waived by the Company.

Section 6.3 Annulment of Acceleration. The provisions of the foregoing Section 6.2 are subject to the condition that, if all or any part of the Obligations have been declared or have otherwise become immediately due and payable by reason of the occurrence of any Event of Default, the Investors, by written instrument delivered to the Company (an "Annulment Notice"), may, in the Investors' sole discretion, rescind such declaration and the consequences thereof as to all of the Notes; provided that at the time such Annulment Notice is delivered no judgment or decree has been entered for the payment of any monies due pursuant to such Obligations in connection therewith and no such action shall constitute a waiver of any right to accelerate the Notes in the future as a result of the same Event of Default or any subsequent Event of Default.

Section 6.4 Remedies. No right or remedy conferred upon or reserved to the Investors under this Agreement or the Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing under the Notes, or under applicable law. Every right and remedy given by this Agreement and the Notes, or under applicable law to the Investor may be exercised from time to time and as often as may be deemed expedient by the Investor, subject to the provisions of Section 6.2 and Section 6.3.

Section 6.5 Conduct No Waiver. No course of dealing on the part of the Investors, or any delay or failure on the part of any Investor to exercise any of such Investor's rights, shall operate as a waiver of such right or remedy or otherwise prejudice such Investor's rights, powers and remedies. If the Company fails to pay, when due (after, to the extent specifically required or provided for hereunder, notice and expiration of any applicable cure period), the principal of, or the interest on, the Notes, or fails to comply with any other provision of this Agreement, the Company shall pay to each applicable Investor, on demand, such additional amounts as are necessary to cover the out-of-pocket costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by such Investor in enforcing the Notes and/or collecting any sums due on the Notes or in otherwise enforcing such Investor's rights under this Agreement or the Notes.

Section 6.6 Indemnification. The Company shall indemnify, defend, and hold harmless the Investors and their respective agents, officers, employees and representatives from all claims and suits for damages or loss, and from all judgments recovered therefor and for expenses in defending any such claims or suits, including court costs, attorneys' fees, and for any other expenses caused by an act or omission of the Company or its contractors, agents, officers or employees in connection with performance of this Agreement and the Notes.

## SECTION 7. COVENANTS AND AGREEMENTS.

Section 7.1 Reimbursement of Fees. The Company shall be responsible for (a) the fees and expenses of attorneys, accountants, consultants and any other representative or agent retained by the Investors in regard to this Agreement and (b) the outstanding fees owed to Polsinelli of approximately \$5,250 for intellectual property legal services, and all such fees and expenses shall be paid by the Company from the proceeds of the Initial Closing on or promptly following the Initial Closing.



**Section 7.2 Negative Covenants.** The Company covenants and agrees, that for so long as any Note is outstanding, the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without the written consent or affirmative vote of the Investors, consenting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(a) repurchase or redeem any of the Company's Equity Securities or make, pay or declare and distribution upon any of the Company's Equity Securities;

(b) sell, assign, grant an exclusive license, pledge or encumber material assets, technology or intellectual property of the Company or any subsidiary other than in the ordinary course of business;

(c) sell, assign, grant a license, pledge or encumber any of the Company's rights, title and interest in and to the assets relating to the Felix patented online technology infrastructure and the associated software system, the resulting transaction services, any products derived for resale or license from the Felix technology, including but not limited to, Felix Cloud, Felix Terminal and Felix Checkout, and any contracts serving third parties such as Sightline (collectively, the "Payfelix Platform");

(d) liquidate or dissolve, merge, amalgamate or consolidate with or into, acquire any business organization or sell or issue any Equity Securities (other than in connection with an Equity Financing);

(e) create, grant or suffer the existence of any lien, encumbrance or other security interest, other than a Permitted Lien, with respect to any of the material properties and assets of the Company in favor of a third party (a "Third Party Lien") unless the Company shall have first granted to the holders of the Notes a *pro rata* security interest with respect to such properties or assets that is senior to such Third Party Lien, including priority right of payment; or

(f) incur any indebtedness for borrowed money, other than (i) pursuant to Notes issued under this Agreement or (ii) in the ordinary course of business, unless such indebtedness is and remains subordinate in right of payment to the Notes pursuant to a subordination agreement on terms satisfactory to the Investors.

As used herein, "Permitted Lien" means any (i) purchase money liens or purchase money security interests upon or in any property acquired by the Company, (ii) lien for taxes, assessments, or similar charges not yet due and payable and (iii) lien of materialmen, mechanics, warehousemen or other like lien arising securing obligations which are not yet delinquent; provided, that (A) the applicable obligation arises in the ordinary course of business, (B) in the case of (ii) and (iii), reserves are maintained with respect to such obligations in accordance with generally accepted accounting principles, (C) such lien or security interest is not created in connection with the borrowing of money and (D) such lien or security interest does not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such lien or security interest.

**Section 7.3 Delivery of Financial Statements.** The Company covenants and agrees, that for so long as any Note is outstanding, the Company shall, within fifteen (15) days after March 31, June 30, September 30 and December 31, delivery to the Investors a consolidated balance sheet of the Company and its subsidiaries as of the end of each such quarterly period, and consolidated statements of income and cash flows of the Company and its subsidiaries for such period and for the current fiscal year to date, prepared in accordance with GAAP (except as disclosed in reasonable detail therein and subject to normal year-end audit adjustments and the absence of notes thereto).

Section 7.4 Board Representation. Robert Alpert, on behalf of the Investors, shall have the right to designate one member to serve on the board of directors of the Company and the Company shall take such action, including shareholder approval, to cause such member to be appointed to such board.

Section 7.5 Recurring Revenue Threshold. In the event the Company believes that the Recurring Revenue Threshold has been achieved as of December 31, 2021, it will prepare (or cause to be prepared) and deliver to the Investors a statement of the Company's calculations of the Recurring Revenues and the various components thereof (the "*Recurring Revenue Statement*"). Within the twenty (20) day period after delivery by the Company of the Recurring Revenue Statement, the Investors will, in a written notice to the Company, either accept the Recurring Revenue Statement, or, in the event that the Investors believe that the Recurring Revenue Statement is inaccurate, describe in reasonable detail any proposed adjustments to the Recurring Revenue Statement which the investors believe should be made and the basis therefor. If the Company has not received such notice of proposed adjustments within such twenty (20) day period, the Recurring Revenue Statement will be deemed to have been accepted and agreed to by the Investors in the form in which such Recurring Revenue Statement is delivered by the Company and will be final and binding on the Company and the Investors. The Company and the Investors will negotiate in good faith to resolve any dispute over the Investors' proposed adjustments to Recurring Revenue Statement, provided that if any such dispute is not resolved within twenty (20) days following receipt by the Company of the proposed adjustments, the Company and the Investors jointly will select (or, if the Company and the Investors are unable to agree, the American Arbitration Association will select) an independent accounting firm which has not had a material relationship with the Company, Sellers or any of their respective Affiliates within two (2) years preceding such selection (such firm, the "*Accounting Firm*") to resolve by arbitration any remaining dispute over the Investors' proposed adjustments. The Accounting Firm will resolve the items in dispute and render a written report on the resolved disputed items (and only on those disputed items) within thirty (30) days after the date on which they are engaged or as soon thereafter as possible. In resolving any disputed item, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by the Company or the Investors or less than the smallest value for such item claimed by the Company or the Investors. The resolution of the dispute by the Accounting Firm will be final and binding upon the Company and the Investors except in the case of fraud or manifest clerical error, and judgment may be entered on the award. The cost of the services of the Accounting Firm will be allocated by the Accounting Firm between the Company and the Investors in the same proportion that the aggregate amount of such resolved disputed items so submitted to the Accounting Firm that is unsuccessfully disputed by each such party (as finally determined by the Accounting Firm) bears to the total amount of such resolved disputed items so submitted.

## SECTION 8. INTERPRETATION OF AGREEMENT

Section 8.1 Certain Terms Defined. When used in this Agreement, the following capitalized terms shall have the meanings included:

"*Affiliate*" means, with respect to any Person, (a) a Person that, directly or indirectly, or through one or more intermediaries, controls such Person, (b) any Person that is controlled by, or is under common control with, such Person, and/or (c) each of such Person's officers or directors (or Persons functioning in substantially similar roles) and the spouses, parents, descendants and siblings of such officers, directors or other Persons. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Business Day*" means each day of the week except Saturdays, Sundays and days on which banking institutions are authorized by law to close in the State of Ohio.

**"Equity Financing"** means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Equity Securities and from which the Company receives gross proceeds of at least \$5,000,000.00 (excluding, for the avoidance of doubt, the principal amount and accrued interest under the Notes).

**"Equity Securities"** means any (a) capital shares of the Company, (b) any securities conferring the right to purchase capital shares of the Company, and (c) any securities directly or indirectly convertible into, or exchangeable for (with or without additional consideration) capital shares of the Company.

**"GAAP"** means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants or in statements of the Financial Accounting Standards Board or their respective successors and that are applicable in the circumstances as of the date in question.

**"Governmental Authority"** means the government of any nation, province, state, city or locality or other political subdivision of any thereof, or any entity, authority, agency, division, department or person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, regulation or compliance.

**"Indebtedness"** means for any Person: (a) all indebtedness, whether or not represented by bonds, debentures, notes, securities or other evidences of indebtedness, for the repayment of money borrowed, and (b) all indebtedness secured by liens on the Company's property other than Permitted Liens.

**"Lien"** means any lien, mortgage, security interest, tax lien, pledge, encumbrance, conditional sale or title retention agreement or any other interest in property designed to secure the repayment of Indebtedness or any other obligation, whether arising by agreement, operation of law or otherwise.

**"Material Adverse Effect"** means (a) a material adverse effect on the business, operations, properties, assets or financial condition of the Company, or (b) the material impairment of the ability (i) of the Company to perform its obligations under this Agreement or the Notes or (ii) of investors to enforce or collect any of the Obligations.

**"Maturity Date"** means the date of the eighteen (18) month anniversary of the Effective Date.

**"Obligations"** means any and all Indebtedness, financial liabilities or payment of the Company to the Investors of the Notes of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, under this Agreement, including without limitation all indebtedness and obligations evidenced by the Notes, together with all renewals, modifications, extensions, increases, substitutions or replacements of any of such Indebtedness.

**"Permitted Liens"** means (a) Liens securing purchase money Indebtedness and capitalized lease obligations incurred to finance the acquisition of capital assets by the Company, (b) Liens for taxes not yet due or being contested in good faith by appropriate proceedings diligently conducted, against which adequate reserves in accordance with GAAP have been established to the reasonable satisfaction of the Investors, (c) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising against the Company in the ordinary course of business, and (d) deposits to secure payment of worker's compensation, unemployment insurance or other social security benefits.

**"Person"** means any individual, sole proprietorship, corporation, limited liability company, business trust, unincorporated organization, association, company, partnership, joint venture,



Governmental Authority (whether national, federal, state, county, municipality or otherwise, and including, without limitation, any instrumentality, division, agency, body or department thereof) or other entity.

*"Recurring Revenues"* means newly generated contractual recurring revenues of the Company (and not any Affiliate of the Company) that are verifiable and predictable, with a margin of not less than ninety (90%), and which are attributable to the Payfelix Platform. Such Recurring Revenues will be calculated as of 11:59 p.m. eastern time on December 31, 2021 and in accordance with GAAP, and as reflected in the financial statements of the Company.

*"Recurring Revenues Threshold"* means Recurring Revenues of at least \$2,500,000.

*"Requisite Investors"* means the holders of Notes representing at least fifty percent (50%) of the aggregate principal amount of the Notes at the time outstanding.

*"Sale of the Company"* means (a) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding Equity Securities having the right to vote for the election of members of the Company's managers, (b) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting Equity Securities outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting Equity Securities or such other surviving or resulting entity or (c) a sale, lease, license or other disposition of all or substantially all of the assets of the Company.

*"Valuation Cap"* means (a) a fully-diluted (including any convertible or exchangeable Equity Securities, but excluding the Notes) enterprise valuation of the Company of \$5,000,000, or (b) in the event the Recurring Revenue Threshold is achieved, a fully-diluted (including any convertible or exchangeable Equity Securities, but excluding the Notes) enterprise valuation of the Company of \$10,000,000.

Terms that are defined in other Sections of this Agreement shall have the meanings specified therein.

**Section 8.2 References.** When used in this Agreement, the words "hereof," "herein," "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and the words "Article," "Section," "subsection," "clause," "Annex," "Schedule" and "Exhibit" refer to Articles, Sections, subsections and clauses of, and Annexes, Schedules and Exhibits to, this Agreement unless otherwise specified. As used herein the neuter gender shall be deemed to include the masculine and feminine gender.

## **SECTION 9.** **MISCELLANEOUS**

**Section 9.1 Notices.** All notices and other communications under this Agreement must be in writing and are deemed duly delivered when (a) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (b) sent by electronic email with confirmation of transmission by the transmitting equipment (or, the first Business Day following such transmission if the date of transmission is not a Business Day) or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested; in each case to the following addresses or emails and marked to the attention of the individual (by name or title) designated below (or to such other address, email or individual as a party may designate by notice to the other parties):

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If to the Company:

Felix Payment Systems Ltd.  
250 Howe St. Level 20  
Suite 100-218  
Vancouver, BC V6C 3R8  
Attention: Owen Newport  
Email: [owen.newport@payfelix.com](mailto:owen.newport@payfelix.com)

If to the Investors:

Felix Payment Investors  
35 Little Point Rd.  
E-302  
Swampscott, MA 01907  
Attn: Robert Alpert  
Email: [robert@damro.com](mailto:robert@damro.com)

Section 9.2 Assignment, Sale of Interest. The Company may not sell, assign or transfer this Agreement or the Notes, or any portion thereof, or such party's rights and obligations hereunder or thereunder, without the prior written consent of the Requisite Investors. Each Investor may sell, assign or transfer any of such Investor's rights and obligations under this Agreement or the Notes (subject to the transfer restrictions contained in the Notes and/or described in Section 5.3(d), Section 5.3(e) and Section 5.3(f)), or any portion hereof or thereof, including, without limitation, such Investor's rights, title, interests, remedies, powers or duties hereunder or under the Notes.

Section 9.3 Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 9.4 Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 9.5 Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

Section 9.6 Integration and Severability. This Agreement, together with the Notes, embodies the entire agreement and understanding between the Company and Investors regarding the transactions contemplated therein and supersedes all prior agreements and understandings relating to the subject matter hereof. Any invalidity, illegality or limitation of the enforceability with respect to any one or more of the provisions of this Agreement, or any part thereof, shall in no way affect or impair the validity, legality or enforceability of any other provisions of this Agreement. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 9.7 Further Assurances. From and after the date of this Agreement, upon the request of the Investors, the Company shall execute and deliver such agreements, instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement and the Notes.

Section 9.8 Amendments, Waivers and Consents. Any provision in this Agreement or in the Notes to the contrary notwithstanding, changes in or additions to this Agreement or the Notes may be made, and compliance with any covenant or provision set forth herein or therein by any party may be omitted or

waived, only with the prior written consent of both parties. Any waiver or consent may be given subject to satisfaction of conditions stated therein and any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

Section 9.9 Law Governing Jurisdiction. The laws of Ohio (without giving effect to its conflicts of law principles) govern this Agreement and all matters arising out of or relating to this Agreement and the transactions contemplated hereby. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the federal or state courts of the State of Ohio over any proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such proceeding may be heard and determined in such courts. The parties hereto hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any proceeding brought in such courts or any claim that such proceeding brought in such courts has been brought in an inconvenient forum. Each of the parties hereto agrees that a judgment in such proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. Each of the parties hereto hereby irrevocably consents to process being served by any other party to this Agreement in any proceeding by delivery of a copy thereof in accordance with the provisions of Section 9.1.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized.

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

DocuSigned by:

*owen newport*

By: \_\_\_\_\_

Name: Owen Newport

Title: Chief Executive Officer

INVESTOR:

DocuSigned by:

Robert Alpert

CO-0706407307240

Robert Alpert

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**SCHEDULE A**  
**SCHEDULE OF INVESTORS**

<u>Name and Address</u>	<u>Date of Investment</u>	<u>Principal Amount</u>
Robert Alpert 12802 North Scottsdale Road Scottsdale, AZ 85252 <a href="mailto:robert@danra.com">robert@danra.com</a>	9/21/2020	\$25,000
	12/21/2020	\$50,000
	1/5/2021	\$50,000
	2/19/2021	\$200,000
	2/19/2021	\$150,000
Roman Alpert Trust 12802 North Scottsdale Road Scottsdale, AZ 85252 <a href="mailto:roman.alpert@gmail.com">roman.alpert@gmail.com</a>	2/12/2021	\$150,000
Don Sanders 5900 JP Morgan Chase Tower 600 Travis, Suite 5800 Houston, TX 77002 <a href="mailto:Don.Sanders@smhgroup.com">Don.Sanders@smhgroup.com</a>	2/17/2021	\$150,000
Andy Cracchiolo 3219 East Camelback Rd #785 Phoenix, AZ 85018 <a href="mailto:ac@cracchiolo.net">ac@cracchiolo.net</a>	2/21/2021	\$150,000
Elk Camp Ventures, LLC 8 The Green, Suite R Dover, DE 19901 Attention: Matt Emerman <a href="mailto:mattemergan@gmail.com">mattemergan@gmail.com</a>	2/21/2021	\$25,000
Hyperion Investments, LLC 1720 Magoffin Ave El Paso, TX 79901 Attention: Lane Gaddy <a href="mailto:lbgaddy@gmail.com">lbgaddy@gmail.com</a>	2/21/2021	\$50,000
James Taylor Irrevocable Trust 181 Elmwood Avenue Ext Gloversville, New York 12078 <a href="mailto:seamus@calliope1.com">seamus@calliope1.com</a>	2/25/21	\$50,000
The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012 7209 Rustic Trail Boulder, CO 80301 <a href="mailto:rdavidhoover@usri.com">rdavidhoover@usri.com</a>	2/25/21	\$100,000
	<b>TOTAL</b>	<b>\$1,150,000</b>

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EXHIBIT 1.1  
TO  
CONVERTIBLE NOTE PURCHASE AGREEMENT

Form of Note

*(See attached.)*

**EXHIBIT A-2**

## FIRST AMENDMENT TO CONVERTIBLE NOTE PURCHASE AGREEMENT

This First Amendment to Convertible Note Purchase Agreement (this "*Amendment*") is entered into as of the 5<sup>th</sup> day of February, 2023 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as Schedule A (each an "*Investor*" and, collectively, the "*Investors*"), as such Schedule A may be amended in accordance with the Convertible Note Purchase Agreement dated February 21, 2021 (the "*Agreement*").

### RECITALS

WHEREAS, the Investors and the Company desire to enter into this Amendment to amend the Agreement on the terms and conditions set forth herein; and

WHEREAS, certain capitalized terms used herein shall have the meanings ascribed to them in the Agreement;

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

1. The definition of Maturity Date in the Agreement is deleted in its entirety and replaced with the following:

"Maturity Date" means May 21, 2023.

2. Section 6.2 of the Agreement is amended by adding the following sentence to the end of Section 6.2:

Upon the occurrence of an Event of Default, the interest rate of each Note shall automatically, and without notice, increase to eighteen percent (18%).

3. Effective February 1, 2023, all accrued and unpaid interest on each Note shall be added to the principal balance of each Note (i.e. capitalized) as set forth below.

Notcholder	Principal Balance	Start Date of Interest	Accrued Interest through and including January 31, 2023	New Principal Balance effective February 1, 2023
Robert Alpert	\$25,000.00	9/21/20	\$3,795.77	\$28,795.77
Robert Alpert	\$50,000.00	12/21/20	\$6,738.54	\$56,738.54
Robert Alpert	\$50,000.00	1/5/21	\$6,599.12	\$56,599.12

Robert Alpert	\$200,000.00	2/19/21	\$24,732.18	\$224,732.18
Robert Alpert	\$150,000.00	2/19/21	\$18,549.13	\$168,549.18
Robert Alpert	\$112,250.00	6/8/22	\$4,448.39	\$116,698.39
Roman Alpert Trust	\$150,000.00	2/12/21	\$18,742.41	\$168,742.41
Don Sanders	\$150,000.00	2/17/21	\$18,604.36	\$168,604.36
Andy Cracchiolo	\$150,000.00	2/21/21	\$18,493.91	\$168,493.91
Elk Camp Ventures, LLC	\$25,000.00	2/21/21	\$3,082.32	\$28,082.32
Hyperion Investments, LLC	\$50,000.00	2/21/21	\$6,164.64	\$56,164.64
The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012	\$100,000.00	2/25/21	\$12,255.64	\$112,255.64
The James W. Taylor Revocable Living Trust dated September 25, 2001	\$50,000.00	2/25/21	\$6,127.82	\$56,127.82

4. Within forty-five (45) days of execution of this Amendment, Company shall provide Investors with all of the information required under Section 7.3 of the Agreement, copies of all representations made by the Company to third-parties concerning the Company's financial condition, and such other financial information reasonably requested by Investors. Within fifteen (15) days of execution of this Amendment, Company shall provide Investors with a schedule of all current shareholders and debtholders.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized.

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

Decoupled by:  
By Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

## INVESTORS:

DocuSigned by:

Robert Alpert

Robert Alpert

DocuSigned by:

Roman Alpert

Roman Alpert Trust

By: Roman Alpert

Title: Trustee &amp; Beneficiary

DocuSigned by:

Don Sanders

Don Sanders

DocuSigned by:

Andy Cracchiolo

Andy Cracchiolo

DocuSigned by:



Elk Camp Ventures, LLC

By: Elk

Title: Founding Member

DocuSigned by:

Lane Gaddy

Hyperion Investments, LLC

By: Lane Gaddy

Title: Manager

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DocuSigned by:

R. David Hoover

The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: R. David HooverTitle: Trustee

DocuSigned by:

Seamus

The James W. Taylor Revocable Living Trust  
dated September 25, 2001

By: SeamusTitle: Trustee

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DocuSign

## Certificate Of Completion

Envelope Id: 3BBD530C/256476988D405032A698507  
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 Client Matter Number:  
 Source Envelope:  
 Document Pages: 5  
 Certificate Pages: 5  
 AutoNav: Enabled  
 Envelope Stamping: Disabled  
 Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed

Envelope Originator:  
 Brian Darer  
 620 South Tryon Street  
 Suite 800  
 Charlotte, NC 28202  
 briandarer@parkcorp.com  
 IP Address: 66.194.17.46

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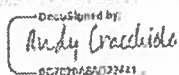
Holder: Brian Darer  
 briandarer@parkcorp.com

Location: DocuSign

## Signer Events

Andy Cracchiolo  
 ac@cracchiolo.net  
 Security Level: Email, Account Authentication  
 (None)

## Signature

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 627020A8/022411

Signature Adoption: Pre-selected Style  
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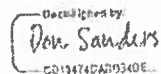
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Don Sanders  
 don.sanders@smhgroup.com  
 Individual Owner

Security Level: Email, Account Authentication  
 (None)

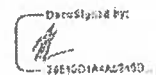
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Elk  
 matlemberman@gmail.com  
 Founding Member  
 Elk Camp Ventures, LLC  
 Security Level: Email, Account Authentication  
 (None)

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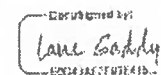
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Lane Gaddy  
 lbgaddy@gmail.com  
 Manager

Security Level: Email, Account Authentication  
 (None)

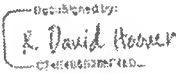
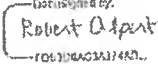
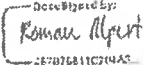
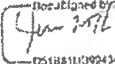
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Electronic Record and Signature Disclosure:

Electronically Filed 11/27/2023 16:45 / / CV 23 989133 / Confirmation Nbr. 3026833 / CLAJB

Signer Events	Signature	Timestamp
<p>Accepted: 2/6/2023 12:02:35 PM ID: db15a5e2-a8c0-44f0-b8a9-20d0c9cdc60c</p> <p>R. David Hoover rdavidhoover@msn.com Trustee R. David Hoover Revocable Trust Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 2/7/2023 4:49:35 PM ID: dh09348a-f6f8-4648-939d-0c70b41a76d3</p> <p>Robert Alpert robert@danro.com CEO Collegiate Parent, LLC Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 2/6/2023 3:14:05 PM ID: col6a03b-cba7-4422-a01a-802634784384</p> <p>Roman Alpert roman.alpert@gmail.com Trustee &amp; Beneficiary Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 2/6/2023 12:04:08 PM ID: f81e1d9f-742b-4888-b695-3c859c0ff028</p> <p>Seamus seamus@calloper1.com Trustee Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Accepted: 2/7/2023 9:47:10 AM ID: 1ad3ea02-0b58-4b1e-abe8-972b65af7b03</p>	<p>DocuSigned by:  07454658328F74ED...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 134.56.8.36</p> <p>DocuSigned by:  F063D6AC3A374A2D...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 170.260.247.176</p> <p>DocuSigned by:  2B7D7811C2714A2D...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 24.166.67.90</p> <p>DocuSigned by:  F251B81B109924342D...</p> <p>Signature Adoption: Drawn on Device Using IP Address: 73.243.110.241 Signed using mobile</p>	<p>Sent: 2/6/2023 12:00:32 PM Viewed: 2/7/2023 4:49:35 PM Signed: 2/7/2023 4:51:17 PM</p> <p>Sent: 2/6/2023 12:00:34 PM Viewed: 2/6/2023 3:14:05 PM Signed: 2/6/2023 3:14:55 PM</p> <p>Sent: 2/6/2023 12:00:33 PM Viewed: 2/6/2023 12:04:08 PM Signed: 2/6/2023 12:05:01 PM</p> <p>Sent: 2/6/2023 12:00:34 PM Resent: 2/8/2023 9:41:50 AM Viewed: 2/8/2023 10:02:03 AM Signed: 2/8/2023 10:03:21 AM</p>

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp



Notary Events	Signature	Timestamp
<b>Envelope Summary Events</b>		
Envelope Sent	Hashed/Encrypted	2/6/2023 12:00:35 PM
Certified Delivered	Security Checked	2/8/2023 10:02:03 AM
Signing Complete	Security Checked	2/8/2023 10:03:21 AM
Completed	Security Checked	2/8/2023 10:03:21 AM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

### **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Parker Poe Adams & Bernstein LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

#### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

#### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

#### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

#### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### How to contact Parker Poe Adams & Bernstein LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [skiplohmeyer@parkerpoe.com](mailto:skiplohmeyer@parkerpoe.com)

### To advise Parker Poe Adams & Bernstein LLP of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at [skiplohmeyer@parkerpoe.com](mailto:skiplohmeyer@parkerpoe.com) and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address.. In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

### To request paper copies from Parker Poe Adams & Bernstein LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to [skiplohmeyer@parkerpoe.com](mailto:skiplohmeyer@parkerpoe.com) and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

### To withdraw your consent with Parker Poe Adams & Bernstein LLP

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to [skiplohmeyer@parkerpoe.com](mailto:skiplohmeyer@parkerpoe.com) and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> <li>•Allow per session cookies</li> <li>•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li> </ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Parker Poe Adams & Bernstein LLP as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Parker Poe Adams & Bernstein LLP during the course of my relationship with you.

**EXHIBIT A-3**



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## SECOND AMENDMENT TO CONVERTIBLE NOTE PURCHASE AGREEMENT

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This Second Amendment to Convertible Note Purchase Agreement (this "*Amendment*") is entered into as of the \_\_\_\_ day of May, 2023 (the "*Effective Date*") between Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), and the persons and entities listed on the schedule of investors attached hereto as *Schedule A* (each an "*Investor*" and, collectively, the "*Investors*"), as such *Schedule A* may be amended in accordance with the Convertible Note Purchase Agreement dated February 21, 2021 (the "*Agreement*").

### RECITALS

**WHEREAS**, the Investors and the Company desire to enter into this Amendment to amend the Agreement on the terms and conditions set forth herein; and

**WHEREAS**, certain capitalized terms used herein shall have the meanings ascribed to them in the Agreement;

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement mutually agree as follows:

1. The definition of Maturity Date in the Agreement is deleted in its entirety and replaced with the following:

"*Maturity Date*" means August 21, 2023.

2. Within ten (10) days of execution of this Amendment, Company shall provide Investors with all of the information required under Section 7.3 of the Agreement, copies of all representations made by the Company to third-parties concerning the Company's financial condition, and such other financial information reasonably requested by Investors. Within five (5) days of execution of this Amendment, Company shall provide Investors with a schedule of all current shareholders and debtholders. Failure to provide any of this information shall be an immediate default of the Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its respective officers thereunto duly authorized,

COMPANY:

FELIX PAYMENT SYSTEMS LTD.

DocuSigned by:

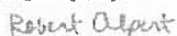
By: Owen Newport

Name: Owen Newport

Title: Chief Executive Officer

## INVESTORS:

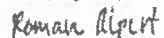
DocuSigned by:



E83CE15243744D

Robert Alpert

DocuSigned by:



E57A76817C46468

Roman Alpert Trust

By: Roman Alpert

Title: Trustee &amp; Beneficiary



Don Sanders

DocuSigned by:



D07D08A81007141

Andy Cracchiolo

DocuSigned by:



20815D171A8E4D0

Elk Camp Ventures, LLC

By: Matthew Emerman

Title: Founding Member

DocuSigned by:



E0E42A2F503E41E

Hyperion Investments, LLC

By: Hyperion

Title: Manager

Decaligned by:

R. David Hoover

The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: R. David HooverTitle: Trustee

The James W. Taylor Revocable Living Trust  
dated September 25, 2001

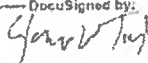
By: \_\_\_\_\_

Title: \_\_\_\_\_

The R. David Hoover Revocable Trust dated  
January 30, 1997 as amended and restated  
September 14, 2012

By: \_\_\_\_\_

Title: \_\_\_\_\_

DocuSigned by:  


05/09/2023 10:51:00 AM  
The James W. Taylor Revocable Living Trust  
dated September 25, 2001

By: Seamus \_\_\_\_\_

Title: Trustee \_\_\_\_\_



**EXHIBIT B-1**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$25,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of Twenty Five Thousand Dollars (\$25,000.00), on or after the date hereof, together with interest thereon calculated from September 21, 2020 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport

Name: Owen Newport

Title: Chief Executive Officer



**EXHIBIT B-2**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$50,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of Fifty Thousand Dollars (\$50,000.00), on or after the date hereof, together with interest thereon calculated from December 21, 2020 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

**2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereio and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer



**EXHIBIT B-3**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$50,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of Fifty Thousand Dollars (\$50,000.00), on or after the date hereof, together with interest thereon calculated from January 5, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport

Name: Owen Newport

Title: Chief Executive Officer



**EXHIBIT B-4**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$200,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of Two Hundred Thousand Dollars (\$200,000.00), on or after the date hereof, together with interest thereon calculated from February 19, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

**EXHIBIT B-5**



THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$150,000.00

Effective as of February 19, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of One Hundred and Fifty Thousand Dollars (\$150,000.00), on or after the date hereof, together with interest thereon calculated from February 19, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

1. **Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### 2. Payments.

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted bylaw as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By:                       
Name: Owen Newport  
Title: Chief Executive Officer

DocuSigned by:

*owen newport*

11/27/2023 16:45:20



DocuSign

## Certificate Of Completion

Envelope Id: 9DA01BE2732349589D2E96CF44DE24A4  
 Subject: FPS - Alpert February Convertible Promissory Note (\$150k)  
 Source Envelope:  
 Document Pages: 4  
 Certificate Pages: 4  
 AutoNav: Enabled  
 EnvelopeId Stamping: Disabled  
 Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed

Envelope Originator:  
 Brian Darer  
 620 South Tryon Street  
 Suite 800  
 Charlotte, NC 28202  
 briandarer@parkerpoe.com  
 IP Address: 97.65.133.250

## Record Tracking

Status: Original  
 11/22/2022 2:45:42 PM

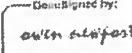
Holder: Brian Darer  
 briandarer@parkerpoe.com

Location: DocuSign

## Signer Events

owen newport  
 owen.newport@payfelix.com  
 CEO  
 Felix Payment Systems LTD  
 Security Level: Email, Account Authentication  
 (None)

## Signature

Done Signed by:  
  
 05175C11D804M92

Signature Adoption: Pre-selected Style  
 Using IP Address: 50.68.248.57  
 Signed using mobile

## Timestamp

Sent: 11/22/2022 2:47:59 PM  
 Viewed: 11/26/2022 10:50:45 AM  
 Signed: 11/26/2022 10:50:53 AM

Electronic Record and Signature Disclosure:  
 Accepted: 11/26/2022 10:50:45 AM  
 ID: 6bc9b72c-3273-43a7-87a2-2e856fdda041

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/22/2022 2:47:59 PM
Certified Delivered	Security Checked	11/26/2022 10:50:45 AM
Signing Complete	Security Checked	11/26/2022 10:50:53 AM
Completed	Security Checked	11/26/2022 10:50:53 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Parker Poe Adams & Bernstein LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.



**How to contact Parker Poe Adams & Bernstein LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: skiplohmeyer@parkerpoe.com

**To advise Parker Poe Adams & Bernstein LLP of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at skiplohmeyer@parkerpoe.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

**To request paper copies from Parker Poe Adams & Bernstein LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to skiplohmeyer@parkerpoe.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with Parker Poe Adams & Bernstein LLP**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to skiplohmeyer@parkerpoe.com and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> <li>*Allow per session cookies</li> <li>*Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection</li> </ul>

\*\* These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Parker Poe Adams & Bernstein LLP as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Parker Poe Adams & Bernstein LLP during the course of my relationship with you.

**EXHIBIT B-6**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$112,250.00

June 8, 2022

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Robert Alpert (the "*Investor*"), the principal sum of One Hundred and Twelve Thousand Two Hundred and Fifty Dollars (\$112,250.00), on or after the date hereof, together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of February 21, 2021 (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

1. **Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### 2. Payments.

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.



3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

DocuSigned by:

*owen newport*

By:

Name: Owen Newport

Title: Chief Executive Officer

**EXHIBIT B-7**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$150,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Roman Alpert Trust (the "*Investor*"), the principal sum of One Hundred Fifty Thousand Dollars (\$150,000.00), on or after the date hereof, together with interest thereon calculated from February 12, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

**EXHIBIT B-8**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$150,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Don Sanders (the "*Investor*"), the principal sum of One Hundred Fifty Thousand Dollars (\$150,000.00), on or after the date hereof, together with interest thereon calculated from February 17, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport

Name: Owen Newport

Title: Chief Executive Officer

**EXHIBIT B-9**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$150,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation, hereby promises to pay to the order of Andy Cracchiolo (the "*Investor*"), the principal sum of One Hundred Fifty Thousand Dollars (\$150,000.00), on or after the date hereof, together with interest thereon calculated from February 21, 2021 in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

**EXHIBIT B-10**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$25,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Elk Camp Ventures, LLC (the "*Investor*"), the principal sum of Twenty-Five Thousand Dollars (\$25,000.00), on or after the date hereof, together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

1. **Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### 2. Payments.

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

**EXHIBIT B-11**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$50,000.00

February 21, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of Hyperion Investments, LLC (the "*Investor*"), the principal sum of Fifty Thousand Dollars (\$50,000.00), on or after the date hereof, together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of the date hereof (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

**EXHIBIT B-12**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$100,000.00

February 25, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of The R. David Hoover Revocable Trust dated January 30, 1997 as amended and restated September 14, 2012 (the "*Investor*"), the principal sum of One Hundred Thousand Dollars (\$100,000.00), on or after the date hereof, together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of February 21, 2021 (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

1. **Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### 2. **Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the



highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport

Name: Owen Newport

Title: Chief Executive Officer

**EXHIBIT B-13**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

### CONVERTIBLE PROMISSORY NOTE

\$50,000.00

February 25, 2021

Felix Payment Systems Ltd., a British Columbia corporation (the "*Company*"), hereby promises to pay to the order of The James W. Taylor Revocable Living Trust Dated September 25, 2001 (the "*Investor*"), the principal sum of Fifty Thousand Dollars (\$50,000.00), on or after the date hereof, together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (this "*Note*"). This Note is issued pursuant to a certain Convertible Note Purchase Agreement, dated as of February 21, 2021 (as amended, restated, modified or supplemented), by and among the Company and the Investor (the "*Purchase Agreement*") and is also a "*Note*," as defined therein. Terms not defined herein shall have the meanings given them in the Purchase Agreement.

The following is a statement of the rights of the Investor and the conditions to which this Note is subject, and to which the Investor, by the acceptance of this Note, agrees:

**1. Interest.** Until the earlier of (a) conversion of this Note in accordance with Section 4 or (b) the payment in full of the outstanding obligations under this Note, interest shall accrue on the unpaid, outstanding principal amount of this Note from the date hereof at a rate equal to six percent (6%) per annum, computed on the basis of a 365-day year. Accrued interest on this Note shall be due and payable as set forth herein.

#### **2. Payments.**

(a) **Mandatory Repayments.** Unless this Note is previously converted in accordance with Section 4, the entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the Maturity Date; (ii) a Sale of the Company; and (iii) an Event of Default in which the Notes have been accelerated by the Investor or automatically accelerated in accordance with the provisions of the Purchase Agreement.

(b) **No Optional Prepayments.** The Company may not prepay this Note without the prior written consent of the Investor.

(c) **Application of Payment.** All partial payments (whether mandatory or otherwise) shall be paid and applied (i) first, to the reimbursement of any expenses or costs of collection or enforcement to which the Investor is entitled, (ii) second, to accrued and unpaid interest of the Note, and (iii) third, to the principal amount of the Note.

3. **Events of Default; Remedies.** Upon the occurrence of an Event of Default as set forth in Section 6 of the Purchase Agreement, the Investor shall be entitled to the remedies provided for in the Purchase Agreement, including, without limitation, those provided under Section 6.2 of the Purchase Agreement.

4. **Conversion.**

(a) **Optional Conversion upon Equity Financing.** In the event the Company consummates an Equity Financing prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors (as defined in the Purchase Agreement), into the Equity Securities of the Company issued in the Equity Financing in accordance with the terms of Section 1.6(a) of the Purchase Agreement.

(b) **Optional Conversion prior to Maturity Date.** If not sooner repaid or converted in a Qualified Equity Financing or Other Financing, prior to the Maturity Date, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(b) of the Purchase Agreement.

(c) **Optional Conversion upon the Occurrence of a Sale of the Company.** Notwithstanding any provision of this Note or the Purchase Agreement to the contrary, in the event of a Sale of the Company prior to the conversion or repayment in full of this Note, in lieu of the Sale Payment, the outstanding principal amount and accrued and unpaid interest under this Note shall be convertible, at the option of the Requisite Investors, into Equity Securities of the Company in accordance with the terms of Section 1.6(c) of the Purchase Agreement.

5. **Amendments.** No amendment or waiver of any provision of this Note, nor consent to any departure by the Company herefrom, shall in any event be effective unless the same shall be in writing in conformity with Section 9.8 of the Purchase Agreement. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. **Severability.** If any term, covenant or provision contained in this Note, or the application thereof to any Person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Note, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Note; the remainder of this Note shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other Persons or circumstances shall not be affected, impaired or restricted thereby.

7. **Captions.** The captions or headings at the beginning of any section or portion of any section in this Note are for the convenience of the Company and the Investor and for purpose of reference only and shall not limit or otherwise alter the meaning of the provisions of this Note.

8. **Usury Savings Clause.** It is the intention of the parties hereto to comply with applicable state and federal usury laws from time to time in effect. Accordingly, notwithstanding any provision to the contrary in this Note or the Purchase Agreement or any other document related hereto, in no event (including, but not limited to, prepayment or acceleration of the maturity of any obligation) will this Note or any such other document require the payment or permit the collection or receipt of interest in excess of the highest lawful rate. If under any circumstance whatsoever, any provision of this Note or of any other document pertaining hereto will provide for the payment, collection or receipt of interest in excess of the

highest lawful rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

9. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of law thereof.

10. **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and given in accordance with Section 9.1 of the Purchase Agreement.

11. **Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Investor and the Company, provided that the Investor shall not be entitled to assign its rights or obligations hereunder without the prior written consent of the other party.

[Signature Page Follows]



IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

FELIX PAYMENT SYSTEMS LTD.

By: Owen Newport  
Name: Owen Newport  
Title: Chief Executive Officer

This is **Exhibit "UU"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

**DENTONS**

**Gregory Brown**  
Senior Associate  
gregory.brown@dentons.com  
D +1 604 648 6519

Dentons Canada LLP  
20th Floor, 250 Howe Street  
Vancouver, BC, Canada V6C 3R8

dentons.com

September 4, 2024

File No.: 580983-1

**Delivered Via Mail**

Felix Payment Systems Ltd.  
300-1286 Homer St.  
Vancouver, BC V6B 2Y5

Dear Sirs/Mesdames:

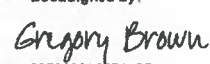
**Re: Return of Letter(s) Received on Behalf of Felix Payment Systems Ltd. (the "Company")**

We have been served following documents as the registered office of the Company and we are mailing copies of such document(s) to you in accordance with Section 10 of the Registered & Records Office Agreement dated March 11<sup>th</sup>, 2020 for your records:

1. Letter to the Company from Clark Wilson LLP dated August 28<sup>th</sup>, 2024 re Robert Alpert, et al.

If you have any questions, please feel free to reach out.

Yours truly,  
**Dentons Canada LLP**

DocuSigned by:  
  
83730908677447D  
Gregory Brown  
Senior Associate  
GB/lw  
Enclosures

**CLARK WILSON** LLP

Reply to: Christopher J. Ramsay  
Direct Tel: 604.643.3176  
Email: CRamsay@cwilson.com  
File No: 56334-0001

**CLARK WILSON**   
Barristers & Solicitors  
Trademark Agents  
900-885 West Georgia Street  
Vancouver, BC V6C 3H1 Canada  
T. 604.687.5700 | F. 604.687.6314  
cwilson.com

August 28, 2024

**BY COURIER AND REGISTERED MAIL**

Felix Payment Systems Ltd.  
Registered and Records Office  
20th Floor, 250 Howe Street  
Vancouver, BC V6C 3R8

Dear Sirs/Mesdames:

**Re: Robert Alpert v. Felix Payment Systems Ltd. and others**  
**SCBC Action No. S-245876, Vancouver Registry**

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Please find attached for service upon you a copy of the Notice of Civil Claim, filed August 26, 2024.

Yours truly,

**CLARK WILSON LLP**

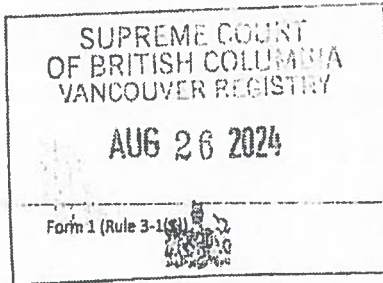
Per:



Christopher J. Ramsay

CJR/jnl

Encl.



S 2 4 5 8 7 6

No.

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

**ROBERT ALPERT**

PLAINTIFF

AND:

**FELIX PAYMENTS SYSTEMS LTD., OWEN NEWPORT, ROSS SMITH,  
AND ANDREW COLE**

DEFENDANTS

**NOTICE OF CIVIL CLAIM****This action has been started by the Plaintiff for the relief set out in Part 2 below.****If you intend to respond to this action, you or your lawyer must**

- (a) file a response to civil claim in Form 2 in the above-named Registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

**If you intend to make a counterclaim, you or your lawyer must**

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

**JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.**

**Time for response to civil claim**

A response to civil claim must be filed and served on the plaintiff,

- (a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,
- (b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

**Claim of the Plaintiff****PART 1: STATEMENT OF FACTS**

1. The Plaintiff, Robert Alpert ("Alpert"), is a businessman whose address for service in this litigation is located at 900 – 885 West Georgia, in the City of Vancouver, in the Province of BC.
2. The Defendant, Felix Payment Systems Ltd. ("Felix") is a company incorporated pursuant to the laws of British Columbia with its registered and records office located at 2000 – 250 Howe Street, in the City of Vancouver, in the Province of British Columbia.
3. The Defendant Owen Newport ("Newport"), is an individual formerly residing at 6894 Copper Cove Road, in the District of West Vancouver, in the Province of British Columbia.
4. The Defendant Ross Smith ("Smith"), in an individual residing at 1801 – 1199 Seymour Street, in the City of Vancouver, in the Province of British Columbia.
5. The Defendant Andrew Cole ("Cole"), is an individual residing at 1305 – 1111 Richards Street, in the City of Vancouver, in the Province of British Columbia.
6. At all material times the Defendants Newport, Smith and Cole were acting as officers of Felix.
7. The Defendant Felix is a payment technology company operating and developing cloud payment technology. Each of Smith, Newport, and Cole are or were former officers of Felix.

**Convertible Note Agreement**

8. In or around mid 2020, Alpert, entered into discussions with the Defendant Felix to advance funds to Felix in order to finance the continued development of its technology.



9. On or around February 2021, the Plaintiff and the Defendant Felix entered into a written agreement whereby the Plaintiff agreed to lend Felix certain funds (the "**Convertible Note Agreement**") and, in consideration, Felix *inter alia* issued convertible promissory notes to the Plaintiff.

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10. The Convertible Note Agreement contained *inter alia* the following terms:

- (a) The Defendant Felix would provide the Plaintiff with financial statements on a quarterly basis.
- (b) Alpert would have the right to designate a board member to sit on Felix's board of directors.
- (c) Felix would not incur any indebtedness for borrowed money, other than under the Convertible Note Agreement or in the ordinary course of business, unless the creditor entered into a subordination agreement on terms satisfactory to Alpert.
- (d) The convertible promissory note issued to Alpert was convertible into equity securities in Felix.

11. Pursuant to the Convertible Note Agreement, the Plaintiff advanced the sum of \$450,000 to the Defendant Felix.

12. The Plaintiff is an investor in a group of investors that loaned \$1.262 million USD to the Defendant Felix through issuance of convertible promissory notes.

#### **Misrepresentations by the Personal Defendants**

13. In or around late 2022, the Defendant Felix advised the Plaintiff that Felix entered into a \$10 million sales and development agreement with American Express. However, there was no such agreement.

14. Throughout 2022 and 2023 the personal defendants represented to the Plaintiff that the Defendant Felix was solvent and generating positive revenue. However, at all material times, the personal defendants knew that Felix was running substantial monthly deficits and had not generated any meaningful revenue.

15. In reliance on the personal defendants' misrepresentations to the Plaintiff about the financial state of the Defendant Felix, the Plaintiff agreed to extend certain repayment requirements under the Convertible Note Agreement.

#### **Reasonable Expectations**

16. As a contracting party under the Convertible Note Agreement, the Plaintiff reasonably expected that:

- (a) He would be kept apprised of Felix's financial circumstances pursuant to the terms of the Convertible Note Agreement including providing quarterly financial statements;
- (b) He would be appointed to the Board of Directors or would be at liberty to nominate a director;
- (c) The officers would not cause Felix to incur debt except as permitted under the Convertible Loan Agreement; and
- (d) The officers would not mislead the Plaintiff as to Felix's financial circumstances.

### **Oppressive Behaviour**

17. Beginning in 2020, the personal defendants failed to provide the Plaintiff with adequate information concerning the Defendant Felix's financial circumstances and actively worked to mislead the Plaintiff.

18. At all material times, the Plaintiff has not been appointed as a director of the Defendant Felix nor has he been permitted to appoint a director as prescribed by the Convertible Note Agreement.

19. At all material times, and despite requests, the Defendants have failed to appoint the Plaintiff as a director of the Defendant Felix.

20. At all material times, and despite requests, the personal defendants have failed to provide the Plaintiff with adequate information concerning the Defendant Felix's financial circumstances.

21. On or about 10 June 2024, the Defendant Felix held a general shareholders meeting which improperly reduced the number of directors to two, which had the express effect of disallowing the Plaintiff to be appointed as a director as prescribed by the Convertible Note Agreement.

22. In or around 31 July 2024, upon information and belief, the personal defendants and others proposed a Letter of Intent by which certain shareholders would sell their various interests in Felix. The letter of intent specifically contemplated that each of the Defendant Ross and the Defendant Smith would be personally released from future claims against them and Felix.

23. Upon information and belief the defendants Cole and Smith conspired with others to facilitate their proposal to the detriment of all other stakeholders including the shareholders, debtholders and the Plaintiff.

24. This was a breach of the Defendants Ross and Smith's fiduciary duties resulting in an improper benefit to them.

**PART 2: RELIEF SOUGHT**

25. A declaration that the affairs of Felix Payment Systems Ltd. are being and have been conducted in a manner oppressive to Robert Alpert.

26. A declaration that each of Owen Newport, Andrew Cole, and Ross Smith have exercised and are exercising their powers as officers of Felix Payment Systems Ltd. in a manner oppressive to Robert Alpert.

27. An order appointing Robert Alpert, or his nominee, as a corporate Director of Felix Payment Systems Ltd., effective immediately.

28. An order compelling Felix Payment Systems Ltd. to prepare accurate quarterly financial statements and to deliver those statements to Robert Alpert.

29. An order for punitive damages against each of the Defendants Smith, Cole, and Newport.

30. Costs.

31. Any other relief this Honourable Court deems just.

**PART 3: LEGAL BASIS**

32. The affairs of Felix Payment Systems Ltd. are being and have been conducted in a manner oppressive to Robert Alpert

Plaintiff's address for service:

Christopher Ramsey  
Clark Wilson LLP  
900 – 885 West Georgia Street  
Vancouver, BC V6C 3H1  
(Direct Number: 604 643 3176)

Fax number address for service (if any):

N/A

E-mail address for service (if any):

CRamsay@cwilson.com


Place of trial:

VANCOUVER, British Columbia

The address of the registry is:

800 Smithe Street  
Vancouver, BC, V6Z 2E1

Date: 26 August 2024

  
\_\_\_\_\_  
Signature of lawyer for plaintiff  
Lawyer: Christopher Ramsey

This NOTICE OF CIVIL CLAIM is prepared by Christopher Ramsey of the firm of Clark Wilson LLP whose place of business and address for delivery is 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 (Direct #: 604 643 3176) (File #56334 – 0001).

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Rule 7-1(1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
  - (a) prepare a list of documents in Form 22 that lists
    - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
    - (ii) all other documents to which the party intends to refer at trial, and
  - (b) serve the list on all parties of record.

## APPENDIX

*[The following information is provided for data collection purposes only and is of no legal effect]*

**PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

Claim in Oppression

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**PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:**

A personal injury arising out of:

- ☐ a motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods and services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☒ a matter not listed here

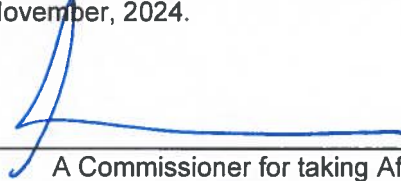
**PART 3: THIS CLAIM INVOLVES:**

- ☐ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☒ none of the above
- ☐ do not know

**PART 4:**

1. *Business Corporations Act*

This is **Exhibit "VV"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia



**524**

1100 ONE BENTALL CENTRE T: 604.331.8300  
505 BURNARD STREET, BOX 11 F: 604.683.0570  
VANCOUVER, BC, CANADA V7X 1M5 WWW.KORNFELDLLP.COM  
Douglas B. Hyndman  
dhyndman@kornfeldllp.com d: 604-331-8303

File No.: BDC001/FEL241

November 20, 2024

**VIA FAX (604-638-7441)**

Felix Payment Systems Ltd.  
c/o Alvarez & Marsal Canada Inc.  
925 West Georgia Street, Suite 902  
Vancouver, BC V6C 3L2

Dear Sirs/Mesdames:

**Re: Business Development Bank of Canada (the "Lender")**  
**Loan No. 254762-01 (the "Loan")**

We are the solicitors for the Lender with respect to the above matter.

We are advised by our client that Felix Payment Systems Ltd. (the "**Borrower**") is in default of its obligations to the Lender and is indebted to the Lender as at November 20, 2024, as follows:

	<i>Loan - 01</i>
Principal:	\$314,820.00
Interest up to and including November 20, 2024:	\$5,847.98
Fees:	\$0.00
<b>Total:</b>	<b>\$320,667.98</b>
Current per diem (subject to change)	\$113.52
Current interest rate: - floating base (currently 8.05%) + 5.00%	13.05%

(the "**Indebtedness**").

The agreement with the Lender also provides that legal fees and disbursements incurred in collection of the Indebtedness, which to date are \$1,250.00, are to be borne by the Borrower.

On behalf of the Lender we hereby demand payment by the Borrower of the full amount of the Indebtedness as set out above, together with costs and interest to and including the date of payment, by certified cheque or bank draft made payable to Kornfeld LLP in trust, to be received at our office within 10 days of the date of this letter.

Please note that in default of payment of the said amount within the time and in the manner aforesaid, we are instructed to commence legal proceedings against the Borrower without further notice.

**525**

**KORNFELD LLP**

*Page 2*

We trust you will govern yourselves accordingly.

Yours truly,

**KORNFELD LLP**

Per: 

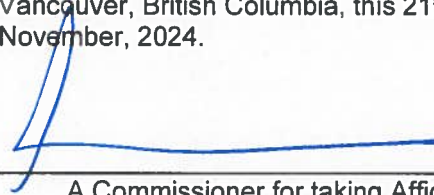
Douglas B. Hyndman\*  
\*Law Corporation

DBH:slr

cc: Owen Matthew Newport

E. & O.E.

This is **Exhibit "WW"** referred to in **Affidavit #1 of Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

---

A Commissioner for taking Affidavits  
for British Columbia

**CLARK WILSON** LLP

Reply to: Christopher J. Ramsay  
 Direct Tel: 604.643.3176  
 Email: CRamsay@cwilson.com  
 File No: 56334-0001

**CLARK WILSON**   
 Barristers & Solicitors  
 Trademark Agents  
 900-885 West Georgia Street  
 Vancouver, BC V6C 3H1 Canada  
 T. 604.687.5700 | F. 604.687.6314  
 cwilson.com

September 16, 2024

**VIA EMAIL**

Harper Grey LLP  
 3200 – 650 West Georgia Street  
 Vancouver, BC V6B 4P7

**Attention: Steven Lukas**

**VIA COURIER AND MAIL**

Felix Payment Systems Ltd.  
 Registered and Records Office  
 20<sup>th</sup> Floor, 250 Howe Street  
 Vancouver, BC V6C 3R8

Dear Sirs/Mesdames:

**Re: Felix Payment Systems Ltd.**

We are counsel to SR Hall Management LLC ("SR Hall").

We are instructed that Felix is in default of its obligations to SR Hall under its secured loans. As of August 31, 2024 Felix owes SR Hall USD \$11,619,903 (CAD \$15,790,829).

Demand is hereby made for the immediate payment to our offices by way of certified cheque or bank draft made payable to Clark Wilson LLP in trust in the sum of \$15,790,829 as of August 31, 2024 plus accrued interest, legal fees and costs to and including the date funds are received at our offices. Any payment less than the full amount outstanding may be accepted by SR Hall, but such payment shall not vitiate this demand for full payment and SR Hall reserves its right to take whatever steps necessary to recover the full amount owing notwithstanding such payment, including the appointment of a receiver under its security interest.

Unless we are in receipt of the sum of \$15,790,829 as of August 31, 2024 plus accrued interest, legal fees and costs received by Clark Wilson LLP by close of business on September 27, 2024, we have instructions to proceed to recover the full amounts owing plus costs.

Enclosed is a copy of our client's Notice of Intention to Enforce Security served on you pursuant to s.244 of the *Bankruptcy and Insolvency Act*.

Yours truly,

**CLARK WILSON LLP**

Per: 

Christopher J. Ramsay

CJR/jnl

Encl.

cc: Client

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Rule 124)

TO: Felix Payment Systems Ltd., an insolvent person (the **"Insolvent Person"**)

TAKE NOTICE THAT:

1. SR Hall Management LLC, a secured creditor (the **"Secured Creditor"**), intends to enforce its security on the insolvent person's property described below:

(a) All present and after acquired personal property of the Insolvent Person;

2. The security that is to be enforced is the following:

(a) General Security Agreement granted by the Borrower to the Lender, and all other security granted by the insolvent person to the Secured Creditor. (the **"Security"**)

3. The total amount of indebtedness secured by the security as at August 31, 2024 is \$15,790,829, with interest continuing to accrue from that date, plus legal costs of enforcing the Security.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 16th day of September, 2024.

**SR Hall Management LLC**

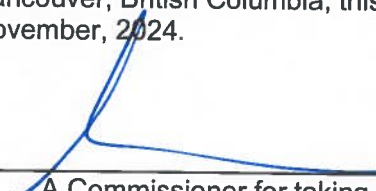


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**Name: Christopher Ramsay**  
**Title: Solicitor**

**Clark Wilson LLP**  
**900 – 885 West Georgia Street**  
**Vancouver, BC V6C 3H1**  
**Tel: 604.643.3176**  
**Email: CRamsay@cwilson.com**

This is **Exhibit "XX"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia



## DIP FACILITY TERM SHEET

**Dated: November 21, 2024**

**WHEREAS** Felix Payment Systems Ltd. has requested that Jake Boxer, the CA Mordy Legacy Trust, and PEL Chartered Professional Accountants Inc. (the **"DIP Lender"**) provide them with financing to fund Felix Payment's restructuring efforts pursuant to a debtor-in-possession financing in the context of insolvency proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the **"CCAA"**) under the jurisdiction of the Supreme Court of British Columbia (the **"Court"**);

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

<b>DEFINITIONS</b>	Capitalized terms used but not otherwise defined herein shall have the meanings given to them on <b>Schedule "A"</b> hereto.
<b>BORROWER</b>	Felix Payment Systems Ltd. (the <b>"Borrower"</b> )
<b>DIP LENDER</b>	Jake Boxer, the CA Mordy Legacy Trust, and PEL Chartered Professional Accountants Inc.
<b>DIP FACILITY</b>	A non-revolving loan (the <b>"DIP Facility"</b> ) up to the maximum principal amount of \$2.1 million (the <b>"Maximum Amount"</b> ), including an initial advance in an amount of \$400,000 (the <b>"Initial Advance"</b> ).
<b>CURRENCY</b>	Unless otherwise noted, the currency of the DIP Facility shall be Canadian Dollars.
<b>MATURITY DATE</b>	<p>Unless accelerated by an Event of Default, the DIP Facility shall be paid in full in cash on the date (the <b>"Maturity Date"</b>) which is the earliest of:</p> <ul style="list-style-type: none"> <li>(a) February 28, 2025 or such later date as the DIP Lender in its sole discretion may agree to in writing with the Borrower, acting reasonably;</li> <li>(b) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or (ii) the CCAA Proceedings are terminated for any reason;</li> <li>(c) the closing of a sale or similar transaction (including pursuant to a subscription agreement and/or a reverse vesting purchase agreement) for all or substantially all of the assets and business, or in respect, of the</li> </ul>

Borrower, which has been approved by an order entered by the Court;

- (d) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a "**Plan**") which has been approved by the requisite majorities of the Borrower's creditors and by an order entered by the Court; or
- (e) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada).

The Maturity Date shall be accelerated upon the occurrence of an Event of Default.

The DIP Lender's commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility including accrued Interest and Legal Fees (collectively, the "**Obligations**") shall be repaid in full on the Maturity Date without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the Obligations are due and payable.

#### AVAILABILITY

Subject to the terms and conditions set forth in this Agreement, the DIP Lender will make loans (the "**DIP Advances**") to the Borrower under the DIP Facility in an aggregate principal amount not to exceed the Maximum Amount, as follows:

1. Initial Advance: subject to the provisions hereunder under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE**, upon the issuance of the Initial Order by the Court, the amount of the Initial Advance, or such other lesser amount as may be approved by the Initial Order, will be made available to the Borrower by the DIP Lender to finance the Borrower's operating requirements in accordance with the Initial Cash Flow Projections.
2. Subsequent Advances: subject to the provisions hereunder under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF DIP ADVANCES (OTHER THAN THE INITIAL ADVANCE)**, and except as may be otherwise agreed in writing by the Borrower and the DIP Lender, any further DIP Advances under the DIP Facility (each an "**Additional Advance**") shall be made available to the Borrower by the DIP Lender until the Maturity Date in accordance with the then applicable Cash Flow

Projections approved by the DIP Lender in its sole discretion, from time to time, subject to duly issued orders of the Court.

Unless otherwise agreed to in writing in advance by the DIP Lender in its sole direction, each Additional Advance shall be made by the DIP Lender to the Borrower as soon as practicable (and in any event within five (5) Business Days) after delivery to the DIP Lender of a drawdown certificate executed by the Borrower certifying, *inter alia*, that (i) the advance corresponds with the then applicable Updated Cash Flow Projections for the one week period commencing the Wednesday following the date of the drawdown certificate, (ii) that there is no Default or Event of Default that has occurred and is continuing, and (iii) that the Borrower is in compliance with the DIP Credit Documentation and the Restated Initial Order.

Notwithstanding the foregoing, the Borrower shall not be required to submit a drawdown certificate to obtain the Initial Advance, the full amount of which shall be made available to the Borrower by the DIP Lender immediately upon the satisfaction of the conditions precedent listed under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE** hereunder being satisfied by the Borrower or otherwise waived by the DIP Lender in its sole discretion.

#### **ACCOUNTS**

All DIP Advances shall be deposited into accounts acceptable to the Borrower, the Monitor and the DIP Lender and withdrawn to pay contemplated expenses under the then applicable Cash Flow Projections and otherwise in accordance with the terms hereof.

#### **USE OF PROCEEDS AND CASH FLOW PROJECTIONS**

The Initial Advance under the DIP Facility shall be used in accordance with the cash flow projections attached as **Schedule "B"** hereto (the "**Initial Cash Flow Projections**"), which have been prepared by the Borrower in consultation with the Monitor. Any Additional Advances shall be used in accordance with the Updated Cash Flow Projections (collectively with the Initial Cash Flow Projections, the "**Cash Flow Projections**"), in each case, to fund working capital and general corporate needs of the Borrower during, and costs and expenses incurred by the Borrower in connection with, the CCAA Proceedings.

No proceeds of the DIP Advances may be used for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the DIP Lender.

#### **INTEREST RATE**

Interest ("**Interest**") on the principal outstanding amount of the DIP Advances (including the compounded interest referenced below) from the date each such DIP Advance is made (or, in the

case of the compounded interest referenced below, the date that such interest is compounded), both before and after maturity, demand, default, or judgment until payment in full at a rate of 18% per annum, compounded and calculated monthly shall accrue and be added to the principal amount of the DIP Advances on the first day of each month.

All Interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.

All payments under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deduction.

If any provision hereof or the DIP Credit Documentation would obligate the Borrower to make any payment of interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the DIP Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)) then, notwithstanding that provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the DIP Lender of interest at a criminal rate.

#### **FEES**

The Borrower shall pay a commitment fee in the amount of \$50,000 (the "Fee"), representing 2% of the Maximum Amount, which shall be earned and paid as follows:

- (i) \$8,000 shall be earned upon the execution of this Agreement and paid from the Initial Advance; and
- (ii) \$42,000 shall be earned upon the granting of the Restated Initial Order and paid from the first Additional Advance made after the date of the Restated Initial Order.

For certainty, the Fee shall be secured by the DIP Lender's Charge.

#### **COSTS AND EXPENSES**

The Borrower shall pay, on a bi-weekly basis, all reasonable and documented costs and expenses of the DIP Lender, and all reasonable and documented fees, expenses and disbursements of outside counsel (including any Legal Fees), appraisers, field auditors, and any financial consultant, related to or in connection with the CCAA Proceedings, including, without limitation, reasonable and documented costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder.



**DIP SECURITY**

All Obligations of the Borrower under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be secured by a Court Ordered Charge on all present and after-acquired personal and real, tangible or intangible property of the Borrower, in each case of any kind or nature whatsoever and wheresoever situated (the "**DIP Lender's Charge**") without the need for any further loan or security documentation or any filings or registrations in any public register or system.

The DIP Lender's Charge shall be subordinated only to the Administration Charge, the charge of Royal Bank of Canada over a guaranteed investment certificate in the amount of \$20,000 (the "**RBC Charge**"), and shall rank in priority to all other Court Ordered Charges.

**CONDITIONS  
PRECEDENT TO THE  
DISBURSEMENT OF  
INITIAL ADVANCE**

The DIP Lender's obligation to make the Initial Advance hereunder is subject to, and conditional upon, the satisfaction of all the following conditions precedent:

1. the Borrower's application materials in connection with their application for the issuance of an initial order under the CCAA (in form and substance satisfactory to the DIP Lender, acting reasonably, the "**Initial Order**") shall have been shared with the DIP Lender in advance, and brought on notice to such parties as are acceptable to the DIP Lender, acting reasonably;
2. the form of Initial Order shall be in form and substance satisfactory to the DIP Lender, acting reasonably;
3. the Initial Order (i) shall have been issued by the Court authorizing and approving this Agreement and the Initial Advance under the DIP Facility and granting the DIP Lender's Charge in respect of the Initial Advance, and (ii) shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender, acting reasonably;
4. except to the extent not permitted by the CCAA, the DIP Lender's Charge shall have priority over all Liens granted by the Borrower against any of the undertakings, property or assets of the Borrower (collectively, the "**Property**") except only for an administration charge on the Property in an aggregate amount not to exceed \$150,000 under the Initial Order, which amount shall be increased to \$250,000 under the Restated Initial Order (the "**Administration**");

Charge”) and the RBC Charge; and shall rank in priority to all other charges approved by the Court; and

5. the Initial Cash Flow Projections shall be acceptable to the DIP Lender, in its reasonable discretion.

**CONDITIONS  
PRECEDENT TO THE  
DISBURSEMENT OF  
DIP ADVANCES  
(OTHER THAN THE  
INITIAL ADVANCE)**

The DIP Lender’s obligation to make any Additional Advances hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

1. the Borrower’s application materials in connection with their application for the Restated Initial Order shall be satisfactory to the DIP Lender, acting reasonably, shall have been shared with the DIP Lender in advance, and brought on notice to such parties as are acceptable to the DIP Lender, acting reasonably;
2. an order amending and restating the Initial Order, in form and substance acceptable to the DIP Lender, acting reasonably, shall have been issued by the Court authorizing and approving this Agreement, the DIP Facility and the increase to the DIP Facility and granting the DIP Lender’s Charge (the “**Restated Initial Order**”) and the Restated Initial Order shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender, acting reasonably;
3. the DIP Lender’s Charge shall have priority over all Liens granted by the Borrower against any of the Property except for the Administration Charge and the RBC Charge and shall rank in priority to all other charges approved by the Court;
4. all amounts requested for a particular Additional Advance shall be consistent with the Initial Cash Flow Projections or Updated Cash Flow Projections for the applicable period, or otherwise expressly agreed by the DIP Lender in advance;
5. the representations and warranties contained herein shall be true and correct; and
6. no Default or Event of Default shall have occurred and be continuing.

The Borrower agrees to indemnify and hold harmless the DIP Lender, its officers, directors, employees, representatives,



advisors, solicitors and agents (collectively, the “**Indemnified Persons**”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, this Agreement, or the DIP Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Indemnified Persons.

**REPRESENTATIONS  
AND WARRANTIES**

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Credit Documentation, that:

1. the transactions contemplated by this Agreement and the other DIP Credit Documentation:
  - a. upon the granting of either the Initial Order or the Restated Initial Order, are within the powers of the Borrower;
  - b. have been duly authorized, executed and delivered by or on behalf of the Borrower; and
  - c. upon the granting of either the Initial Order or the Restated Initial Order, constitute legal, valid and binding obligations of the Borrower;
3. the business operations of the Borrower has been and will continue to be conducted in compliance with all Applicable Laws of each jurisdiction in which each such business has been or is being carried on;
4. except as reflected in the Cash Flow Projections and as disclosed in **Schedule “C”** hereto, and than those amounts the Borrower have made known to the DIP Lender to date, the Borrower have paid where due their obligations for payroll, employee source deductions, sales taxes, value added taxes and are not in arrears in respect of these obligations; and
5. the Borrower does not have any defined benefit pension plans or similar plans.

**AFFIRMATIVE  
COVENANTS**

The Borrower covenants and agrees to do the following:

1. comply with the Cash Flow Projections, including making payments when scheduled to be made in accordance with the Cash Flow Projections, and their reporting and other obligations to deliver financial information to the DIP Lender hereunder; provided that, such reporting and financial information shall be prepared and delivered under the supervision of the Monitor;
2. allow the DIP Lender, its designated representatives and financial advisors full access to the books and records of the Borrower on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any advisors to the DIP Lender;
3. use the proceeds of the DIP Facility only for the purposes set out herein;
4. comply with the provisions of the Court orders made in the CCAA Proceedings;
5. to work cooperatively with the DIP Lender and provide reasonable access to all information required by the DIP Lender;
6. provide the DIP Lender with draft copies of all motions, applications, proposed orders or other material or documents that any of them intends to file within the CCAA Proceedings at least three (3) days prior to any service of such materials or, where it is not practically possible to do so at least three days prior to any such service, as soon as possible prior to such service;
7. maintain all licenses required for the operation of their business in good standing;
8. the Initial Order, the Restated Initial Order and any other Court orders which are being sought by the Borrower shall be shared in advance with the DIP Lender; provided that any Court order that directly impacts the DIP Facility and the DIP Lender's Charge shall be in a form satisfactory to the DIP Lender, acting reasonably, subject to any amendments that are required by the Court;
9. deliver to the DIP Lender by no later than 5:00 p.m. (Vancouver time) on Wednesday bi-weekly (or, if Wednesday is not a Business Day, the following Business Day), updated 13-week cash flow projections, in form and substance satisfactory to the DIP Lender, acting reasonably, reflecting the projected cash requirements of

the Borrower on a rolling-basis (the “**Updated Cash Flow Projections**”), provided if any Updated Cash Flow Projection is not acceptable to the DIP Lender the previously in effect Cash Flow Projections shall remain in effect until such Updated Cash Flow Projection has been agreed;

10. concurrently with the bi-weekly delivery of Updated Cash Flow Projections, provide a variance report setting out the actual receipts and disbursements compared to those included in the previously delivered Updated Cash Flow Projections (or to the Initial Cash Flow Projections, if applicable);
11. maintain all insurance with respect to the Property in existence as of the date hereof;
12. forthwith notify the DIP Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;
13. forthwith notify the DIP Lender of the occurrence of any Default or Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections;
14. duly and punctually pay or cause to be paid to the DIP Lender all principal and interest payable by it under this Agreement and any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein;
15. comply in all respects with all Applicable Laws; and
16. comply in all material respects with their obligations under the DIP Credit Documentation.

**NEGATIVE COVENANTS**

The Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld:

1. sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business, except for the disposition of any obsolete equipment or other assets or as permitted under the Initial Order or Restated Initial Order or further order of the Court;

2. make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as contemplated by the Cash Flow Projections, or declare or pay any dividends;
3. create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt contemplated by this DIP Facility and post-filing trade payables incurred in the ordinary course of business;
4. create or permit to exist any Liens on any of the Property other than Permitted Liens;
5. enter into or agree to enter into any investments (other than cash equivalents) or acquisitions of any kind, direct or indirect, in any business;
6. assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;
7. except as contemplated by the Cash Flow Projections, transfer, distribute, lend or otherwise provide any funds (whether arising from DIP Advances or otherwise);
8. enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of any Property would become the property of any other Person or Persons unless authorized by the DIP Lender;
9. other than the Court Ordered Charges, seek or support a motion by another party to provide to a third party a charge upon any Property (including, without limitation, a critical supplier's charge) without the prior consent of the DIP Lender;
10. amend or seek to amend the Initial Order or the Restated Initial Order;
11. terminate or repudiate any agreement with the DIP Lender, solely in its capacity as lender under the DIP Facility; and
12. seek or obtain any order from the Court that materially adversely affects the DIP Lender, except with the prior written consent of the DIP Lender.

## EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Agreement:

1. failure of the Borrower to pay principal or interest when due under this Agreement or any other DIP Credit Documentation;
2. any other breach by the Borrower in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Agreement, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) Business Days following receipt of notice thereof;
3. any order shall be entered reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting the DIP Lender this Agreement, the DIP Lender's Charge, or any DIP Credit Documentation, without the prior written consent of the DIP Lender, (ii) either the Initial Order or the Restated Initial Order shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the DIP Lender, or (iii) any Borrower shall fail to comply in any material respect that has an adverse effect on the interests of the DIP Lender with any order granted by the Court in the CCAA Proceedings;
4. this Agreement or any other DIP Credit Documentation shall cease to be effective or shall be contested by any Borrower;
5. any order is issued by the Court (or any other court of competent jurisdiction) that materially adversely affects the DIP Lender;
6. the CCAA Proceedings are terminated or converted to bankruptcy proceeding or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA Proceedings (as extended from time to time until the Maturity Date), unless agreed by the DIP Lender, acting reasonably;
7. any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender if such Plan does not either provide for the repayment of the obligations, in their entirety including compounded interest



added to the principal, under the DIP Facility in full by the Maturity Date;

8. the Borrower makes any material payments of any kind not permitted by this Agreement, the Cash Flow Projections or any order of the Court; or
9. borrowings under the DIP Facility exceed the Maximum Amount.

## REMEDIES

Upon the occurrence and continuance of an Event of Default, subject to the DIP Credit Documentation, the DIP Lender may, upon written notice to the Borrower and the Monitor:

1. terminate the DIP Facility;
2. on prior written notice to the Borrower and the service list of no less than five (5) Business Days, apply to the Court for the appointment of an interim receiver, receiver, or receiver and manager of the Property or for the appointment of a trustee in bankruptcy of the Borrower;
3. exercise the powers and rights of a secured party under any legislation; and
4. exercise all such other rights and remedies under the DIP Credit Documentation and Orders of the Court in the CCAA Proceedings.

## DIP LENDER APPROVALS

All consents of the DIP Lender hereunder shall be in writing.

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.

## FURTHER ASSURANCES

The Borrower shall at their expense, from time to time execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement, any other DIP Credit Documentation and the DIP Lender's Charge, perfecting, protecting and maintaining the Liens created by the DIP Lender's Charge or establishing compliance with the representations, warranties and conditions of this Agreement or any other DIP Credit Documentation.



<b>ENTIRE AGREEMENT</b>	<p>This Agreement, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any of the other DIP Credit Documentation, this Agreement shall govern. Neither this Agreement nor any other DIP Credit Documentation, nor any terms hereof or thereof, may be amended, unless such amendment is in writing signed by the Borrower and the DIP Lender.</p>
<b>AMENDMENTS, WAIVERS, ETC.</b>	<p>No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender. Any consent to be provided by the DIP Lender shall be granted or withheld solely in its capacity, and having regard to its interests, as DIP Lender.</p>
<b>ASSIGNMENT</b>	<p>This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Borrower may not assign their rights and obligations under this Agreement without the written consent of the DIP Lender. The DIP Lender's rights and obligations under this Agreement are assignable, without the consent of the Borrower, before an Event of Default to any other entity, and are freely assignable, without the consent of the Borrower (but with prior notice to), after an Event of Default has occurred and is continuing. The Borrower hereby consents to the disclosure of any confidential information in respect of the Borrower to any potential assignee provided such potential assignee agrees in writing to keep such information confidential. A copy of all notices delivered pursuant to this section shall be delivered promptly to the Monitor.</p>
<b>SEVERABILITY</b>	<p>Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and thereof or affecting the validity or enforceability of such provision in any other jurisdiction.</p>
<b>PRESS RELEASES</b>	<p>The Borrower shall not issue any press releases or other public disclosure, other than Court documents approved in the manner set out herein, naming the DIP Lender without its prior approval, acting reasonably, unless the Borrower is required to do so by Applicable Law (on reasonable notice to the DIP Lender).</p>

**COUNTERPARTS  
AND FACSIMILE  
SIGNATURES**

This Agreement may be executed in any number of counterparts and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

**NOTICES**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

In the case of the DIP Lender:

To each of:

PEL Chartered Professional Accountants Inc. and  
The CA Mordy Legacy Trust  
4664 Lougheed Hwy. #201,  
Burnaby, BC V5C 5T5

Attention: Doug Mordy  
Email: [Doug@appara.ai](mailto:Doug@appara.ai)

And

boxer capital corp.  
Suite 1000-3707 West 7th Ave  
Vancouver, BC V6R 1W7

Attention: Jake Boxer  
Email: [jake@boxercapital.com](mailto:jake@boxercapital.com)

With a copy to:

Osler Hoskin & Harcourt LLP  
Bentall Four, 1055 Dunsmuir St Suite 3000,  
Vancouver, BC V7X 1K8

Attention: Emma Newbery / Mary Buttery  
Email: [enewbery@osler.com](mailto:enewbery@osler.com) [mbuttery@osler.com](mailto:mbuttery@osler.com)

In the case of the Borrower:


Felix Payment Systems Ltd.  
1400-355 Burrard Street  
Vancouver, BC V6B 2G8

	<p>Attention: Andrew Cole Email: <a href="mailto:andrew.cole@payfelix.com">andrew.cole@payfelix.com</a></p> <p>With a copy to:</p> <p>McCarthy Tétrault LLP 745 Thurlow Street, Suite 2400 Vancouver, BC V6E 0C5</p> <p>Attention: Lance Williams / Ashley Bowron Email: <a href="mailto:lwilliams@mccarthy.ca">lwilliams@mccarthy.ca</a> / <a href="mailto:abowron@mccarthy.ca">abowron@mccarthy.ca</a></p> <p>In either case, with a copy to the Monitor:</p> <p>Alvarez &amp; Marsal Canada Inc. 925 West Georgia Street, Suite 902 Vancouver, BC V6C 3L2</p> <p>Attention: Anthony Tillman / Taylor Poirier Email: <a href="mailto:atillman@alvarezandmarsal.com">atillman@alvarezandmarsal.com</a> / <a href="mailto:tpoirier@alvarezandmarsal.com">tpoirier@alvarezandmarsal.com</a></p> <p>With a copy to:</p> <p>Cassels, Brock &amp; Blackwell LLP Suite 2200, RBC Place, 885 West Georgia St Vancouver, BC V6C 3E8</p> <p>Attention: Vicki Tickle / Mihai Tomos Email: <a href="mailto:vtickle@cassels.com">vtickle@cassels.com</a> / <a href="mailto:mtomos@cassels.com">mtomos@cassels.com</a></p>
<p><b>GOVERNING LAW AND JURISDICTION</b></p>	<p>This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive courts of the Province of British Columbia, waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.</p>

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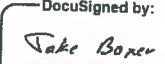
IN WITNESS HEREOF, the Borrower hereby executes this Agreement as of the date first written above.

**FELIX PAYMENT SYSTEMS LTD.**


By:   
Name:  
Title:

IN WITNESS HEREOF, the DIP Lender hereby executes this Agreement as of the date first written above.

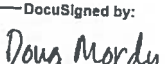
**JAKE BOXER**

By:   
Name: B32F20F7134B4C7  
Title:

**CA MORDY LEGACY TRUST**

By:   
Name: 1F747E975B8B406  
Title:

**PEL CHARTERED PROFESSIONAL ACCOUNTANTS INC.**

By:   
Name: 1F747E975B8B406  
Title:

## SCHEDULE "A"

## ADDITIONAL DEFINITIONS

**"Applicable Laws"** means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of the Borrower, the operation of their business or their property, as the case maybe.

**"Business Day"** means a day on which banks in Vancouver, British Columbia are open for business.

**"Court Ordered Charges"** means the Administration Charge and the DIP Lender's Charge.

**"Default"** means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

**"DIP Credit Documentation"** means this Agreement, the orders of the Court approving this Agreement and the DIP Lender's Charge, the DIP Security and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender.

**"DIP Security"** means the contractual security and contractual hypothecary documents granted by the Borrower providing for a security interest/hypothec in and lien on all now-owned and hereafter-acquired assets and property of the Borrower, real and personal, tangible or intangible and all proceeds therefrom, but excluding (i) such assets, if any, as the DIP Lender in its discretion determines to be immaterial or to be assets for which the cost and other burdens of establishing and perfecting a security interest outweigh the benefits of establishing and perfecting a security interest; and (ii) other exceptions to be mutually agreed.

**"Legal Fees"** means all reasonable and documented legal fees that the DIP Lender will have to pay to its legal counsel in connection with any and all tasks related to this Agreement, the orders of the Court, the DIP Facility or the DIP Credit Documentation.

**"Liens"** means all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever.

**"Permitted Liens"** means (i) the Court Ordered Charges; and (ii) Liens, if any, in respect of amounts payable by a Borrower for wages, vacation pay, deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada), income tax and workers compensation claims.

**"Person"** means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or governmental authority.

**"Monitor"** means Alvarez & Marsal Canada Inc., in its capacity as Court-appointed monitor in the CCAA Proceedings.

**SCHEDULE "B"**

**INITIAL CASH FLOW PROJECTIONS**



Folly Payment Systems Ltd.  
Third Cash Flow Forecast  
For the 15-week period ending March 2, 2025  
\$Cdn 000s

Week ending	Notes	Week 1 24-Nov	Week 2 1-Dec	Week 3 8-Dec	Week 4 15-Dec	Week 5 22-Dec	Week 6 29-Dec	Week 7 5-Jan	Week 8 12-Jan	Week 9 19-Jan	Week 10 26-Jan	Week 11 2-Feb	Week 12 9-Feb	Week 13 16-Feb	Week 14 23-Feb	Week 15 2-Mar	Total
<b>Receipts</b>																	
Sales	2	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other receipts	3	15	-	-	-	15	-	-	-	-	-	-	-	-	-	-	214
<b>Total receipts</b>		15	3	200	-	15	3	-	-	15	3	-	-	15	3	-	60
<b>Operating disbursements</b>																	274
Payroll	4	-	130	-	134	21	132	5	-	141	1	146	-	141	-	-	998
KERP	4	-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	100
Office rent	5	1	28	1	1	1	1	1	1	1	1	28	1	1	1	28	116
Insurance	6	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	5
Subscriptions	7	16	8	5	1	3	13	2	3	3	13	2	3	3	13	2	91
Security certification	8	-	-	-	-	-	-	-	26	-	-	-	-	-	-	-	26
Utilities and other	-	4	20	-	-	1	-	0	-	-	-	0	-	-	-	-	26
<b>Total operating disbursements</b>		21	191	35	136	25	146	40	29	145	15	181	4	146	14	251	1,379
<b>Other disbursements</b>																	
Hardware and other miscellaneous	9	10	10	32	2	-	-	-	-	-	-	-	-	-	-	-	54
Trade payables	10	160	63	20	88	-	-	72	-	-	-	20	-	-	-	20	443
Professional fees	11	-	160	-	150	-	-	60	-	75	-	85	-	135	-	-	665
DIP fee	12	-	7	-	23	-	-	-	-	-	-	-	-	-	-	-	30
<b>Total other disbursements</b>		191	431	87	399	25	146	172	29	220	15	286	4	281	14	271	2,571
<b>Net cash flow</b>		(176)	(428)	113	(399)	(10)	(142)	(172)	(29)	(205)	(11)	(286)	(4)	(266)	(10)	(271)	(2,298)
<b>Cash position</b>																	
Beginning cash balance	12	223	48	20	133	183	173	31	259	230	24	363	77	323	57	297	223
Net cash flow		(176)	(428)	113	(399)	(10)	(142)	(172)	(29)	(205)	(11)	(286)	(4)	(266)	(10)	(271)	(2,298)
DIP draws (repayment)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>End cash balance</b>		48	20	133	183	173	31	259	230	24	363	77	323	57	297	26	2,100
<b>Opening DIP balance</b>		-	-	\$ -	\$ 400	\$ 850	\$ 850	\$ 850	\$ 1,262	\$ 1,262	\$ 1,262	\$ 1,612	\$ 1,630	\$ 1,880	\$ 1,880	\$ 2,130	\$ -
DIP draws (repayment)	12	-	400	-	450	-	-	400	-	-	350	-	250	-	250	-	2,100
Accrued interest		-	-	-	-	-	-	12	-	-	-	19	-	-	-	34	64
<b>Ending DIP balance</b>		-	400	400	850	850	850	1,262	1,262	1,262	1,612	1,630	1,880	1,880	2,130	2,164	2,164

**Felix Payment Solutions Ltd.  
Third Cash Flow Forecast  
Notes and Assumptions**

1. The cash flow statement (the "CCAA Cash Flow Forecast") has been prepared by management ("Management") of Felix Payment Solutions Ltd. (the "Company") To set out the liquidity requirements of the Company during the Companies' Creditors Arrangement Act proceedings (the "CCAA Proceedings").  
  
The CCAA Cash Flow Forecast is presented on a weekly basis from November 18, 2024 to March 2, 2025 (the "Forecast Period") and represents Management's best estimate of the expected results of operations during the Forecast Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.
  2. Sales receipts of \$214,000 represents the collection of an accounts receivable in respect of a feasibility study performed by the Company and the collection of other miscellaneous receipts.
  3. Other receipts of \$60,000 represents the receipt of grant funding over the Forecast Period.
  4. Payroll costs of \$998,000 represent expected ongoing payroll costs over the Forecast Period and \$100,000 of total key employee retention plan payments planned to occur over two milestones dates.
  5. Office rent of \$116,000 throughout the Forecast Period represents monthly rent payments in respect of the Company's office in Vancouver, British Columbia.
  6. Insurance costs of \$20,000 includes cyber insurance and commercial liability insurance policy premiums.
  7. Subscription costs of \$91,000 represent on-going software subscriptions and expected annual renewal payments to maintain business operations.
  8. Security certification costs of \$26,000 represent payments on internal testing work required to advance certain certifications.
  9. Hardware and other miscellaneous costs of \$54,000 primarily relate to the purchase of new laptops and servers to maintain business operations.
  10. Trade payables of \$443,000 represents payment on certain pre-filing accounts payable to select vendors for continuity of essential service contacts and certifications.
  11. Professional fees of approximately \$665,000 over the Forecast Period include legal counsel to the Company, the Monitor and its counsel, and counsel to the DIP Lender.
  12. The First Lien Lenders (as defined in the Proposal Trustee's Second Report) will be providing debtor in possession financing to the Company (the "DIP Facility"). Total draws of \$2.1 million are expected through the Forecast Period.
- A commitment fee of \$7,000 and \$23,000 will be deducted against the initial and second draw, respectively, from the DIP Facility. Interest on the DIP Facility is calculated at a rate of 18% per annum, with interest accruing to the principal balance of the DIP Facility on the first day of each month.

**SCHEDULE "C"**

**OUTSTANDING OBLIGATIONS FOR PAYROLL, EMPLOYEE SOURCE  
DEDUCTIONS, SALES TAXES AND VALUE ADDED TAXES**

[To be completed]

This is **Exhibit "YY"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia

NO. \_\_\_\_\_  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
FELIX PAYMENT SYSTEMS LTD.

PETITIONER

**CONSENT TO ACT AS MONITOR**

Alvarez & Marsal Canada Inc., of Cathedral Place Building, 925 West Georgia Street, Suite 902, Vancouver, BC, V6C 3L2, a Licensed Insolvency Trustee, hereby consents to act as court-appointed monitor of Felix Payment Systems Ltd. in these proceedings, if so appointed by this Honourable Court.

DATED at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of November, 2024.

**ALVAREZ & MARSAL CANADA INC.**

Per: \_\_\_\_\_

Name: Anthony Tillman

Title: Senior Vice President

This is **Exhibit "ZZ"** referred to in **Affidavit #1** of **Andrew Cole**, sworn before me at Vancouver, British Columbia, this 21<sup>st</sup> day of November, 2024.



---

A Commissioner for taking Affidavits  
for British Columbia



Felix Payment Systems Ltd.  
Third Cash Flow Forecast  
For the 15-week period ending March 2, 2025<sup>1</sup>  
Schedule 1

Week ending	Notes	Week 1 24-Nov	Week 2 1-Dec	Week 3 8-Dec	Week 4 15-Dec	Week 5 22-Dec	Week 6 29-Dec	Week 7 5-Jan	Week 8 12-Jan	Week 9 19-Jan	Week 10 26-Jan	Week 11 2-Feb	Week 12 9-Feb	Week 13 16-Feb	Week 14 23-Feb	Week 15 2-Mar	Total
<b>Receipts</b>																	
Sales	2	\$ -	\$ 3	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 214
Other receipts	3	15	-	-	-	15	-	-	-	-	-	-	-	15	-	-	60
<b>Total receipts</b>		<b>15</b>	<b>3</b>	<b>200</b>	<b>-</b>	<b>15</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>3</b>	<b>-</b>	<b>274</b>
<b>Operating disbursements</b>																	
Payroll	4	-	130	-	134	21	132	5	-	141	1	146	-	141	-	146	998
KERP	4	-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	100
Office rent	5	1	28	1	1	1	1	28	1	1	1	28	1	1	1	28	116
Insurance	6	-	-	-	-	-	-	5	-	-	-	5	-	-	-	-	20
Subscriptions	7	16	8	5	1	3	13	2	3	3	13	2	3	3	13	2	91
Security certification	8	-	-	-	-	-	-	-	26	-	-	-	-	-	-	-	26
Utilities and other	4	4	20	-	-	1	-	0	-	1	-	0	-	1	-	0	28
<b>Total operating disbursements</b>		<b>21</b>	<b>191</b>	<b>35</b>	<b>136</b>	<b>25</b>	<b>146</b>	<b>40</b>	<b>29</b>	<b>145</b>	<b>15</b>	<b>181</b>	<b>4</b>	<b>146</b>	<b>14</b>	<b>251</b>	<b>1,379</b>
<b>Other disbursements</b>																	
Hardware and other miscellaneous	9	10	10	32	2	-	-	-	-	-	-	-	-	-	-	-	54
Trade payables	10	160	63	20	88	-	-	72	-	-	-	20	-	-	-	20	443
Professional fees	11	-	160	-	150	-	-	60	-	75	-	85	-	135	-	-	665
DIP fee	12	-	7	-	23	-	-	-	-	-	-	-	-	-	-	-	30
<b>Total other disbursements</b>		<b>191</b>	<b>431</b>	<b>87</b>	<b>399</b>	<b>25</b>	<b>146</b>	<b>172</b>	<b>29</b>	<b>220</b>	<b>15</b>	<b>286</b>	<b>4</b>	<b>281</b>	<b>14</b>	<b>271</b>	<b>2,571</b>
<b>Net cash flow</b>		<b>(176)</b>	<b>(428)</b>	<b>113</b>	<b>(399)</b>	<b>(10)</b>	<b>(142)</b>	<b>(172)</b>	<b>(29)</b>	<b>(205)</b>	<b>(11)</b>	<b>(286)</b>	<b>(4)</b>	<b>(266)</b>	<b>(10)</b>	<b>(271)</b>	<b>(2,298)</b>
<b>Cash position</b>																	
Beginning cash balance	223	48	20	133	183	183	173	31	259	230	24	363	77	323	57	297	223
Net cash flow	(176)	(428)	113	(399)	(10)	(10)	(142)	(172)	(29)	(205)	(11)	(286)	(4)	(266)	(10)	(271)	(2,298)
DIP draws (repayment)	-	-	-	450	-	-	-	400	-	-	350	-	250	-	250	-	2,100
<b>End cash balance</b>		<b>\$ 48</b>	<b>\$ 20</b>	<b>\$ 133</b>	<b>\$ 183</b>	<b>\$ 173</b>	<b>\$ 31</b>	<b>\$ 259</b>	<b>\$ 230</b>	<b>\$ 24</b>	<b>\$ 363</b>	<b>\$ 77</b>	<b>\$ 323</b>	<b>\$ 57</b>	<b>\$ 297</b>	<b>\$ 26</b>	<b>\$ 26</b>
<b>Opening DIP balance</b>		<b>-</b>	<b>-</b>	<b>\$ 400</b>	<b>\$ 400</b>	<b>\$ 850</b>	<b>\$ 850</b>	<b>\$ 850</b>	<b>\$ 1,262</b>	<b>\$ 1,262</b>	<b>\$ 1,262</b>	<b>\$ 1,612</b>	<b>\$ 1,630</b>	<b>\$ 1,880</b>	<b>\$ 1,880</b>	<b>\$ 2,130</b>	<b>\$ -</b>
DIP draws (repayment)	12	-	400	-	450	-	-	400	-	-	350	-	250	-	250	-	2,100
Accrued interest	-	-	-	-	-	-	-	12	-	-	-	19	-	-	-	34	64
<b>Ending DIP balance</b>		<b>\$ -</b>	<b>\$ 400</b>	<b>\$ 400</b>	<b>\$ 850</b>	<b>\$ 850</b>	<b>\$ 850</b>	<b>\$ 1,262</b>	<b>\$ 1,262</b>	<b>\$ 1,262</b>	<b>\$ 1,612</b>	<b>\$ 1,630</b>	<b>\$ 1,880</b>	<b>\$ 1,880</b>	<b>\$ 2,130</b>	<b>\$ 2,164</b>	<b>\$ 2,164</b>

**Felix Payment Solutions Ltd.  
Third Cash Flow Forecast  
Notes and Assumptions**

1. The cash flow statement (the "CCAA Cash Flow Forecast") has been prepared by management ("Management") of Felix Payment Solutions Ltd. (the "Company") To set out the liquidity requirements of the Company during the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings").

The CCAA Cash Flow Forecast is presented on a weekly basis from November 18, 2024 to March 2, 2025 (the "Forecast Period") and represents Management's best estimate of the expected results of operations during the Forecast Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

2. Sales receipts of \$214,000 represents the collection of an accounts receivable in respect of a feasibility study performed by the Company and the collection of other miscellaneous receipts.
3. Other receipts of \$60,000 represents the receipt of grant funding over the Forecast Period.
4. Payroll costs of \$998,000 represent expected ongoing payroll costs over the Forecast Period and \$100,000 of total key employee retention plan payments planned to occur over two milestones dates.
5. Office rent of \$116,000 throughout the Forecast Period represents monthly rent payments in respect of the Company's office in Vancouver, British Columbia.
6. Insurance costs of \$20,000 includes cyber insurance and commercial liability insurance policy premiums.
7. Subscription costs of \$91,000 represent on-going software subscriptions and expected annual renewal payments to maintain business operations.
8. Security certification costs of \$26,000 represent payments on internal testing work required to advance certain certifications.
9. Hardware and other miscellaneous costs of \$54,000 primarily relate to the purchase of new laptops and servers to maintain business operations.
10. Trade payables of \$443,000 represents payment on certain pre-filing accounts payable to select vendors for continuity of essential service contacts and certifications.
11. Professional fees of approximately \$665,000 over the Forecast Period include legal counsel to the Company, the Monitor and its counsel, and counsel to the DIP Lender.
12. The First Lien Lenders (as defined in the Proposal Trustee's Second Report) will be providing debtor in possession financing to the Company (the "DIP Facility"). Total draws of \$2.1 million are expected through the Forecast Period.

A commitment fee of \$7,000 and \$23,000 will be deducted against the initial and second draw, respectively, from the DIP Facility. Interest on the DIP Facility is calculated at a rate of 18% per annum, with interest accruing to the principal balance of the DIP Facility on the first day of each month.