

This is the 2nd Affidavit of Andrew Clough
in this case and was made on February 27 2025.

NO. S-248103
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, AS AMENDED

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

AFFIDAVIT

I, ANDREW CLOUGH, Businessman, of #2302 - 750 Lexington Ave, New York, N.Y.,
SWEAR (OR AFFIRM) THAT:

1. I am a co-founder and the current Chief Operating Officer of Dapit NA, LLC
("Dapit"), and as such have personal knowledge of the facts and matters hereinafter deposed to,
save and except where the same are stated to be made upon information and belief, and, as to
such facts, I verily believe the same to be true.

Background

2. As is described in my first affidavit, Affidavit #1 of Andrew Clough filed January
31, 2025 ("Clough #1"), Dapit is an innovative fintech company with extensive experience of
over 20 years in the payment industry and internet security. The company aims to revolutionize

payment processing and financial management for businesses of all sizes by offering a comprehensive solution addressing numerous challenges in the current landscape.

3. Dapit together with four other entities, BBSG Hall Investments, LLC, Ripcord Capital LLC, Steve Hall and SR Hall Management LLC (collectively, the “**Dapit Group**”) is a secured lender as well as the largest creditor of Felix Payment Systems (“**Felix**”). The Dapit Group consistently funded Felix from 2021 to 2024, contributing over 70% of all external funding since Felix’s inception, to the amount of \$16,900,000 CAD. Between February 2023 and February 2024, DapIt provided 100% of Felix’s funding. By December 2023, DapIt entered into agreements with Felix and its founders to acquire Felix outright and believed it had acquired 100% of Felix, including patent rights, and continued funding based on this understanding.

4. As more particularly described in Clough #1, once Dapit learned of other creditors’ claims in January 2024, the Dapit Group immediately and proactively led efforts to develop a restructuring solution outside of bankruptcy with the other three largest creditors (Boxer Group, Felix Payment Investors led by Robert Alpert (collectively, “**FPI**”) and Flat World led by Don Paris, together referred to as the “**Lenders**”). As Dapit was the largest creditor with the most relevant experience within Felix’s industry, it openly expressed its clear intent to acquire Felix and negotiate buyout terms with the Lenders, while providing the vast majority of Felix’s funding.

5. Throughout the restructuring, Dapit made multiple attempts to make arrangements with all main creditor groups, including in particular with the First Lien Lenders, the Boxer Group. The last LOI between Boxer Group was signed each party 11 days prior to the company proceeding into CCAA protection. Attached hereto and marked as **Exhibit “A”** is a copy of the LOI dated October 4, 2024. This agreement never completed as a result of Boxer’s non-performance of the conditions outlined within the LOI. I raise this because in the course of discussions regarding the Dapit Group’s bid, counsel for A&M commented that she had heard that Dapit had issues with its financial ability to close that agreement. That was concerning to me given that it was the Boxer Group who had failed or refused to complete such agreements.

6. When Dapit became aware of these CCAA proceedings, it earnestly sought to participate as a legitimate bidder for Felix. However, as is more particularly described in Clough

#1, at paragraphs 18-26, the Dapit Group has consistently encountered numerous difficulties and delays in acquiring information regarding Felix. Despite that, the Dapit Group has done its best to comply with all relevant timelines and requirements, but Alvarez & Marsal Canada Inc. (“A&M”), in its capacity as Monitor, determined that we are not a Qualified Bidder.

Submission of Dapit’s Bid

7. On January 31, 2025, at approximately 4:00 p.m. (PST), the DapIt Group submitted a bid by letter of intent (“LOI”) to A&M. Attached hereto and marked as **Exhibit “B”** is a true copy of Mr. Wick’s email to A&M dated January 31, 2025 with the LOI.

8. On February 2, 2025, Ms. Tickle sent a letter to Mr. Wick informing him that the LOI did not meet the requirements for a Qualified Bid for the purposes of the SISF. Ms. Vickie also informed the DapIt Group that the Bid Deadline would be extended to February 5, 2025 at 5:00 p.m. (PST) in order to provide the DapIt Group an opportunity to rectify certain alleged deficiencies in the LOI. Attached hereto and marked as **Exhibit “C”** is a true copy of Ms. Vickie’s letter to the DapIt Group dated February 2, 2025.

9. On February 4, 2025, I emailed A&M requesting a meeting over videoconference to discuss what I viewed as other material deficiencies in the records contained in the VDR. Attached hereto and marked as **Exhibit “D”** is a copy of my email to A&M dated February 4, 2025.

10. On February 5, 2025, I met virtually with A&M to discuss these deficiencies in the VDR. Later that day, A&M confirmed to me that they had sent to Felix a number of my outstanding requests for information (the “**Outstanding Requests**”). Attached hereto and marked as **Exhibit “E”** is a true copy of an email thread between myself and A&M dated February 5, 2025 to February 6, 2025.

11. The Dapit Group did not receive answers to the Outstanding Requests prior to A&M’s determination that the Dapit Group is not a Qualified Bidder, or since.

A&M's Concerns

12. I am advised by Mr. Wick, and verily believe, that on February 5, 2025 he sent an email to A&M enclosing three documents: a revised LOI to cure the deficiencies raised in Ms. Tickle's February 2, 2025 letter (the "**Revised LOI**"), a PDF related to Steve Hall's ownership and valuation of the 2.74 kilogram ruby (the "**Ruby**") as part of DapIt's evidence of ability to close the transaction contemplated by the Revised LOI (the "**Ruby Documents**") and the DapIt Group's redline of the Stalking Horse Bid (the "**Stalking Horse Redline**"). Attached hereto and marked as **Exhibit "F"** is a copy of Mr. Wick's email to A&M dated February 5, 2025, attaching copies of the Revised LOI, the Ruby Documents, and the Stalking Horse Redline.

13. I am advised by Mr. Wick, and verily believe, that A&M informed him of their concern regarding DapIt Group's ability to close the transaction, and their ability to perfect a security interest in the Ruby. I subsequently emailed A&M for a meeting to discuss any concerns A&M may have regarding the DapIt Group's ability to close the transaction. Attached hereto and marked as **Exhibit "G"** is a true copy of an email thread dated February 7, 2025, between myself and A&M. I am advised by Mr. Wick, and verily believe, that on February 7, 2025, he also sent an email to A&M in response to their concerns. Attached hereto and marked as **Exhibit "H"** is an email thread from January 31, 2025 to February 7, 2025, between Mr. Wick, Ms. Tickle, and A&M.

14. On February 8, 2025, I attended a call with A&M, Ms. Tickle, Mr. Wick, and Steve Hall, to address A&M's further concerns about the DapIt Group's ability to close a transaction and the viability of the Ruby as collateral. Mr. Hall is the majority shareholder and controlling individual of DapIt and member of the DapIt Group.

15. During that call, A&M asked Stephen Hall a number of questions relating to the Ruby. Mr. Hall answered each of A&M's questions directly, and agreed to provide additional documentation regarding the Ruby, and the 2024 Consolidated Financial Statements for one of his companies, Landmark 24 Homes (the "**Landmark Financial Statements**"), to show that the DapIt Group had both the requisite financing and the ability to close the transaction.

16. During the February 8, 2025 meeting, both myself and Mr. Wick asked A&M that if they had any other concerns about the Revised LOI or about whether DapIt Group would be considered as a Qualified Bidder, that A&M should ask for further information. A&M agreed to do so.

17. I am advised by Mr. Wick, and verily believe to be true, that Mr. Wick emailed additional documents concerning the Ruby and the Landmark Financial Statements to A&M on February 8, 2025, shortly after the meeting with A&M ended. Attached hereto and marked as **Exhibit "I"** is a true copy of an email thread between Mr. Wick and A&M dated February 8, 2025.

Rejection of Bid

18. On February 8, 2025, at approximately 3:30 p.m. (PST), A&M informed the DapIt Group that it had not submitted a Qualified Bid. Attached hereto and marked as **Exhibit "J"** is a true copy of an email thread between A&M and Mr. Wick dated February 8, 2025.

19. On February 9, 2025, at the request of Mr. Wick, A&M stated its reasons for not accepting the DapIt Group's bid as a Qualified Bid. A&M reiterated its concern about the DapIt Group's ability to close a transaction and also stated that:

"[A&M] has concerns regarding, among other things, the capability of the proposed third party financier to provide the funds needed and the actual realizable value of the ruby that was to be offered as collateral...

20. Attached hereto and marked as **Exhibit "K"** is a true copy of an email thread dated February 8, 2025, to February 9, 2025, between A&M and Mr. Wick.

21. Despite clarifying the Ruby Documents and providing additional documents such as the Landmark Financial Statements, our bid was deemed not qualified. A&M gave no explanation as to what "other things" it was referring to in its determination that the DapIt Group had not submitted a Qualified Bid. I am advised by Peter Roberts, counsel for the DapIt Group, and verily believe, that on February 11, 2025 he emailed A&M and asked whether there were any other concerns with the DapIt Group's bid beyond the "ability to close a transaction". He received a reply from Ms. Tickle which did not respond to that question. Attached hereto and

marked as **Exhibit "L"** is the email chain between Mr. Roberts, A&M and Ms. Tickle on February 11, 2025.

The Dapit Group's Plan

22. The Dapit Group has encountered significant delay and difficulties in its good faith attempt to participate in this sales process. The Dapit Group simply wants to put forward a bid to purchase Felix, for the benefit of all stakeholders.

23. As stated above, the Dapit Group has invested approximately \$16,900,000 into Felix, to which it believes is secured in subsequent priority to the Boxer Group. To the present date, the Dapit Group has only submitted evidence for a small portion of this total amount, as evidenced in Stephen Hall Affidavit #1, filed February 14, 2025, which formed part of our bid submitted on January 31, 2025. This shows the Dapit Group's dedication to Felix, and its investment in the well-being and success of Felix and all its stakeholders.

24. The Dapit Group believes its bid maximizes value for stakeholders for reasons including the following:

- (a) it is financially superior to the Stalking Horse Bid;
- (b) the Dapit Group, having had a long-standing relationship with Felix over the past four years, is committed to continue that relationship through retaining a subsidiary in Vancouver, B.C., to its headquarters in Manhattan, New York;
- (c) the Dapit Group has continued to engage with several of the other creditors as a means of maintaining those relationships in order for Felix to continue to receive the benefit of their expertise and abilities in the fintech industry;
- (d) the Dapit Group, with 25 years experience within the payments industry, can appropriately leverage Felix's technology and we have a solid plan to do so. Attached hereto and marked as **Exhibit "M"** is a true copy of a 2025 outlook letter written by Dapit's CEO, Frank A Cristaudo. We saw no evidence of any such plan for Felix within the virtual data room; and

- (e) Dapit has negotiated an LOI from a very large payment firm, one of the largest ISOs in the United States, that confirms a commitment of \$10 million USD into further developing Felix which is contingent on our successful bid. Attached hereto and marked as **Exhibit "N"** is a true copy of that LOI, which has been redacted in the name of the investor only, which is confidential information as per the terms of our agreement.

25. As evidence of the Dapit Group's ability to close the contemplated transaction, we have deposited funds sufficient to complete the transaction into the DapIt Group's counsel's trust account.

26. If the Dapit Group's bid is successful, but is, for whatever reason, unable to close on February 28, 2025, the Dapit Group is willing and able to post whatever amount A&M determines is necessary to fund Felix's working capital until March 7, 2025, to allow the deal to close, on an unsecured and without interest basis.

SWORN (OR AFFIRMED) BEFORE ME at)
the City of Vancouver in the Province of British)
Columbia on February 27, 2025.)
)
)
)
)
)
)
)

A Commissioner for taking Affidavits for
British Columbia

Andrew Clough

WILLIAM CLARK
Barrister & Solicitor
1600 - 925 WEST GEORGIA ST.
VANCOUVER, B.C. V6C 3L2
(604) 685-3456

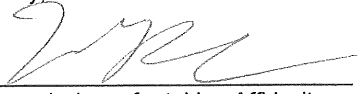
EXECUTION

October 4, 2024

LETTER OF INTENT

Boxer Capital Corporation
Jake Boxer
The CA Mordy Legacy Trust
Brookridge Chartered Professional Accountants Inc.
Douglas Alan Mordy
Candice Rose Mordy
Ralph Kurt Mcfee
Section 3 Ventures (VCC) Inc.
Kapil Nanalal

This is Exhibit "A" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.


A Commissioner for taking Affidavits
within British Columbia.

(collectively, the "Boxer Mordy Group")
c/o Osler Hoskin & Harcourt LLP
Vancouver, BC

Re: SR Hall Management LLC (the "Purchaser") offer to purchase the indebtedness (the "Senior Secured Indebtedness") owed to the Boxer Mordy Group pursuant to the secured promissory notes (the "Promissory Notes") issued by Felix Payment Systems Ltd. (the "Company") in favor of the Boxer Mordy Group, and any of them, and perfected by way of security interests registered in the British Columbia Personal Property Registry under base registration numbers 160139Q, 186604Q, and 277672Q.

Gentlemen,

This letter is intended to summarize the terms of the Purchaser's proposal to purchase the Senior Secured Indebtedness from the Boxer Mordy Group on the terms and conditions set out below.

Part One – Purchase of Secured Debt

1. Purchase of Senior Secured Indebtedness

The Purchaser shall purchase the Senior Secured Indebtedness from the Boxer Mordy Group for the face value of the secured debt plus accrued interest secured by the Promissory Notes.

2. Conditions

The purchase of the Senior Secured Indebtedness shall be subject to the following conditions:

- (a) Satisfactory review of the amounts owing under the Senior Secured Indebtedness by the Company, and that all funds have been disbursed to the

EXECUTION

Company; All loan and security documents to be provided to Purchaser for review by Tuesday, October 8, 2024 at 5:00 p.m.;

- (b) Satisfactory review of the Promissory Notes;
- (c) Satisfactory review of all incoming and outgoing payments from the Boxer Mordy Group to and from the Company between May 1, 2024 and October 25, 2024 (the closing of this transaction);
- (d) Due authorization, execution and delivery of the assignment of the Promissory Notes documents in a form satisfactory to the Purchaser (the "**Definitive Agreement**");
- (e) Concurrent with the closing of this transaction, transfer of 100% of shares in the Company held or controlled by the Boxer Mordy Group to the Purchaser or other shareholder of the Company that is not a member of the Boxer Mordy Group;
- (f) Concurrent with the closing of this transaction, the appointment of Steve Hall or his representative to the board of the Company, followed by the immediate resignation of Aneil Manhas and Peter Smyrniotis from the board of the Company;
- (g) Any immediate short-term working capital of the Company will first be approved by the Purchaser and funded by the Boxer Mordy Group and added to the Senior Secured Indebtedness;
- (h) Releases to be exchanged between the Parties, including Robert Alpert and Felix Payment Investors, in a form that is satisfactory to the Parties; and
- (i) Assignment to the Purchaser of any claims or causes of action that the Boxer Mordy Group have in relation to the Company.

Part Two – General Provisions

1. Non-binding. Except for the provisions of Part 2 Section 3, 4, 5, and 6, and the requirement of this paragraph regarding entry into negotiations, this LOI is not binding on the Parties; it is only an expression of basic terms and conditions that the Parties presently intend to incorporate in a formal written agreement that will govern the transaction. No binding agreement shall exist with respect to the transaction unless and until the Definitive Agreement has been duly executed and delivered by both Parties.
2. Closing. The closing of the transaction will take place 15 business days after the signing of this LOI, being October 25, 2024.

EXECUTION

3. Governing Law and Forum. This letter is governed by the laws of British Columbia, Canada, other than those laws relating to conflicts of laws. All disputes arising under this letter must be litigated in Vancouver, British Columbia, Canada.
4. No Third-Party Beneficiaries. This letter does not confer any rights upon a person not a party to this letter.
5. Successors and Assigns. This letter will inure to the benefit of and be binding upon a party's executors, administrators, heirs, permitted assigns, and successors by merger or consolidation, so long as the successor is controlled directly or indirectly by the same person or persons who controlled the party. All references to a party in this letter include the successor or permitted assignee of the party after succession or assignment.
6. Counterparts and Facsimiles. This letter may be executed in separate counterparts with different Parties signing different counterparts so long as each party signs at least one counterpart. A party's execution of this letter may be evidenced, and a party's delivery of this letter may be by facsimile or other manner of electronic transmission.
7. Offer Expiration. The offer made in this letter will remain open until 5:00 p.m. PST on Friday, October 4, 2024 (the "**Acceptance Deadline**").
8. Interpretation. This letter was prepared jointly by the Parties and any uncertainty or ambiguity existing herein may not be interpreted against either party. Unless otherwise indicated by the context, each pronoun used in this letter includes all genders and both singular and plural, and each noun used in this letter includes both singular and plural. The use of the word "including" in this letter is exemplary and not exhaustive so that it means "including without limitation" the items following.

[Signature page follows]

EXECUTION

DATED as of the first date written above.


BOXER MORDY GROUP:

BOXER CAPITAL CORPORATION

By: 

Name: Jacob Boxer
Title: Director

THE CA MORDY LEGACY TRUST

By: 


Name: Douglas Mordy
Title: Trustee

**BROOKRIDGE CHARTERED
PROFESSIONAL ACCOUNTANTS INC.**

By: 

Name: Douglas Mordy
Title: Director

SECTION 3 VENTURES (VCC) INC.

By: 

Name: Douglas Mordy
Title: Director

EXECUTION

BOXER MORDY GROUP
CONTINUED:



JAKE BOXER



DOUGLAS ALAN MORDY



CANDICE ROSE MORDY

RALPH KURT MCFEE

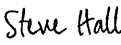


KAPIL NANALAL

PURCHASER:

SR HALL MANAGEMENT LLC

DocuSigned by:



By:

Name: Steve Hall

Title: Authorized Signatory

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Friday, January 31, 2025 4:08 PM
To: felixpayment@alvarezandmarsal.com; Tillman, Anthony; Poirier, Taylor
Cc: 'vtickle@cassels.com'; Tomos, Mihai; Peter Roberts (3158) - 14Flr; William Clark (3218) - 14Flr; Philip K. Stovall
Subject: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd.
Attachments: FPS CCAA Letter of Intent (Executed).pdf

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

To Whom It May Concern:

On behalf of the Dapit Group, attached please find an executed Letter of Intent to acquire the assets of Felix Payment Systems Ltd. pursuant to the terms of the December 9, 2024 *Order Made After Application (Stalking Horse and SISP Approval)*. Please feel free to reach out with any questions you may have.

Sincerely,
 Chris Wick

HAHN 
LOESER
 attorneys at law

Christopher Wick | Partner
Hahn Loeser & Parks LLP | MORE THAN A CENTURY OF CLIENT SERVICE
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

Hahn Loeser & Parks LLP is a full-service law firm with a national footprint and international reach, with offices in Cleveland, Columbus, Naples, Fort Myers, San Diego, and Chicago.

This email may contain information that is confidential or privileged, and it is intended only for the addressee(s). If you are not the intended recipient, you are prohibited from using, copying, or distributing this email, its contents, or any attachment.

This is Exhibit "B" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 25th day of February, 2025.



A Commissioner for taking Affidavits
 within British Columbia.



January 31, 2025

Alvarez & Marsal Canada Inc.
Attn: Anthony Tillman & Taylor Poirier
Licensed Insolvency Trustee
Cathedral Place Building
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2

Phone: 604-639-0853
Fax: 604-638-7441
Email: felixpayment@alvarezandmarsal.com
atillman@alvarezandmarsal.com; and
tpoirier@alvarezandmarsal.com

RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. in the Companies' Creditors Arrangement Act ("CCAA") Matter of a Plan of Compromise or Arrangement of Felix Payment Systems Ltd.; Case No. S-248103 (the "CCAA Proceedings")

Dear Mr. Tillman:

We are pleased to present this letter of intent ("LOI")¹ that outlines the terms and conditions upon which Dapit NA LLC, a Delaware limited liability company (together with BBSG Hall Investments, LLC; Ripcord Capital LLC; Steve Hall and SR Management LLC, the "**Dapit Group**" or "**Buyer**"), or its assignee thereof that is under common control with Buyer, proposes to acquire the financial technology assets relating to the cloud-based payment acceptance infrastructure and associated software systems (the "**Business**") of Felix Payment Systems Ltd. (the "**Company**"). While this LOI is not a binding agreement (except as specifically set forth herein), it sets forth the general terms of Buyer's offer, which Buyer believes is superior to the Stalking Horse Bid.

1. **Acquired Assets and Purchase Price.** Buyer proposes to acquire all the assets (the "**Purchased Assets**") held or used by the Business, including, without limitation, those set forth in the Buyer's *Stalking Horse Subscription Agreement* (the "**Buyer's SHSA**") for a cash payment in full at closing currently estimated (through Feb 28, 2025) to be \$ 7,712,549 CAD plus a credit bid of \$1,275,000 CAD of secured funds lent to the Company by the Buyer for a total estimated purchase price of \$8,987,549 (the "**Purchase Price**").

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in that certain *Order Made After Application (Stalking Horse and SISP Approval)* dated December 9, 2024 (the "**SISP Order**") and issued in the CCAA Proceedings.

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The Purchase Price² consists of payment in full of the following debts and expenses associated with the CCAA Proceedings:

- A. all amounts outstanding and obligations payable by the Company under or in connection with the DIP Term Sheet and secured by the DIP Lender's Charge, including principal, interest, and fees accrued up to and including the Closing Date, which indebtedness shall be paid by the Buyer at Closing; plus
- B. all amounts confirmed by Court order to be determined to be outstanding and obligations payable by the Company under or in connection with the First Lien Loan Documents and secured by the First Lien Charge³, including principal, interest, and fees accrued up to and including the Closing Date, which indebtedness shall be paid by the Buyer at Closing; plus
- C. all amounts outstanding and obligations payable by the Company under or in connection with the demand notes and other loans made by Buyer and its affiliated entities to the Company prior to the commencement of the CCAA Proceedings, which indebtedness shall be assumed by the Buyer at Closing; plus
- D. the value of all other Assumed Liabilities, if any, to be satisfied by the Purchaser performing and/or discharging such Assumed Liabilities as and when they become due; plus
- E. the value of the Administration Charge, which amount shall be paid at Closing; plus
- F. The value of the Closing Payment, to be paid by the Purchaser in accordance with Section 3.2 of the *Final Stalking Horse Subscription Agreement* (the "**Final SHSA**").

The Purchased Assets would be purchased on an "as is, where is" condition, provided that the Company will represent and warrant that it has the full right, title, and interest in the Purchased Assets and make other representations customary in an asset sale transaction occurring within the confines of a typical CCAA case. Since the First Lien Holder's Application for a determination regarding the amount, validity, and priority of their

² The Purchase Price is built upon the following amounts with a projected value (incorporating interest) as of 28 Feb 2025:

- a. DIP Charge principal amount of \$2.65 million CAD;
- b. \$4,064,261 CAD as of 17 Dec 2024 (Monitor Report 2), although Buyer agrees to only pay the final adjudicated amount of the First Lien Charge;
- c. \$1,275,000 CAD for Credit Bid of amounts previously advanced by Buyer to the Company pursuant to 8 demand notes secured by the Company's SR&ED tax incentive credits in 2024;
- d. \$325,000 for the Administration Charge (Commitment Fee, KERP, D&O and SH Fee)
- e. Value of Assumed Liabilities as to be determined pursuant to the Final SHSA;
- f. Up to \$500,000 for the value of the Closing Payment (Wind down Fee, Priority Payments and CCAA Charge)

³ As of the timing of the submission of this LOI, the First Lien Lenders have filed an application with the Supreme Court of British Columbia (the "**Court**") in the CCAA Proceeding regarding the amount of the indebtedness loaned by them to the Company and the scope of the security interest. As of the time of this submission, this application remains pending. Accordingly, this LOI remains subject to the determination of the First Lien Lender's debt and security interest.
[Type here]



indebtedness has not been adjudicated as of the date of LOI, to satisfy the Deposit requirement, the Buyer has deposited \$300,000 USD in Lawson Lundell LLP's client trust account to be used as a part of its bid and/or for use as Debtor-in-possession financing.

2. Buyer's Source of Funds. Buyer will not require any bank financing to fund the Purchase Price. Further, this LOI is not conditioned upon the approval of any board of directors (or comparable governing body. Upon request by the Monitor, the Buyer will make available any necessary evidence regarding its ability to fund and consummate the transaction contemplated by this LOI and satisfy its obligations under the transaction documents.
3. Closing Date. Buyer will endeavor to close by the Outside Date of February 28, 2025. In any event, Buyer further agrees that the closing shall occur on the third (3rd) business day after the Subject entry by the Court of the Approval and Vesting Order. Within five (5) days following the execution of this LOI, Buyer shall prepare and deliver to the Company a redlined *Stalking Horse Subscription Agreement* (the "Initial SHSA"). No less than ten (10) days after Court approval of the SHSA and all other transaction agreements (collectively, the "Definitive Agreements") and as soon as practicable following the satisfaction of the Closing Conditions set forth below, Buyer intends to close.
4. Confirmatory Due Diligence. This LOI is subject to satisfactory completion of confirmatory due diligence in the following areas:
 - a. Financial documentation of the Company's debt schedules and related loan documents, including but not limited to First Lien Lenders' security interests, including but not limited to a review of the Company's tax returns for the past three years, budgets, and financial projections;
 - b. Legal documents, including but not limited to minutes of board meetings and member meetings and intellectual property documentation (patents, trademarks, copyrights);
 - c. Operational documents, including but not limited to any specific commercial initiatives with the Company's customers and/or strategic partners;
 - d. Human Resources documentation, including but not limited to employment agreements, compensation, and benefits information; and
 - e. Technology documentation, including but not limited to software licenses and agreements.
5. Liabilities; Employees; Conditions: Except as explicitly set forth in the revised and final Buyer's SHSA, Buyer would not assume any of the liabilities or obligations whatsoever of the Company. Buyer would consider extending offers of employment to some of the Company's employees. The consummation of the purchase and sale transaction would be

[Type here]



subject to the satisfaction of such conditions as are customary in connection with an acquisition similar to the one described above, including, without limitation:

- a. the Approval and Vesting Order shall have been issued and entered by the Court;
 - b. the absence of any Material Adverse Change to the Business between the date of mutual execution and delivery of this LOI and the date on which Buyer acquires the assets under the Final SHSA.
 - c. the completion by Buyer of its due diligence investigation and Buyer being satisfied with the results of such investigation in its sole discretion; and
 - d. all conditions of the Buyer's SHSA being met.
6. Break-up Fees. This LOI and offer to acquire the assets of the Company does not contain any request for or entitlement to any break-up fee, expense reimbursement, or similar type of payment.
7. Regulatory Approvals and Consents. The Buyer adopts Sections 6.5(f) and 6.7 of the SHSA regarding any obligations relating to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals, including without limitation the Transaction Regulatory Approvals (as defined in the SHSA, as may be required in connection with the transaction contemplated by this Agreement.
8. Representations and Warranties; Continuous Operation. The Final SHSA shall contain customary representations and warranties for asset purchase transactions of similar scope and sized in "as is, where is" condition in the context of a CCAA Proceeding. The Company will covenant that it will continue to manage and maintain the Business in a commercially reasonable manner consistent with industry practices up until closing.
9. Commissions; Finder's Fees; Indemnity. Except as otherwise provided in this LOI, each party will be responsible for all fees (including any legal and advisor fees) and expenses which are incurred by it in connection with the proposed transaction described in this LOI and by submitting this LOI, the Buyer is agreeing to refrain from and waive any assertion or request for reimbursement on any basis.
10. Confidentiality. Consistent with its obligations in the *Confidentiality and Non-Disclosure Agreement* dated January 21, 2025, Buyer will hold all non-public information provided by the Company concerning the Business, except Buyer may disclose such information to its legal advisors

This LOI is submitted in good faith and remains binding and irrevocable on the Buyer until closing of the Successful Bid; provided that if Buyer's bid is not selected as the Successful Bidder or as the Back-Up Bid it shall only remain irrevocable until the section of the Successful Bid. Further,

[Type here]



this LOI may serve as the Back-Up Bid, to the extent it is not selected as the Successful Bid and if selected as the Back-Up Bid, it will remain irrevocably until the earlier of (i) closing of the Successful Bid or (ii) closing of the Back-Up Bid.

Additional Background Information Regarding the Buyer and the Company

As the Buyer is sure the Monitor is aware, the Buyer and the Company have had a long-standing relationship. The Buyer is comprised of Andrew Clough, Frank Cristaudo, and me. Buyer is the largest creditor of the Company and provided over 75% of the company's financial support between January and October 2024. In total, Buyer has loaned the Company \$12,181,231 USD (\$16,918,377 CAD), as of January 31, 2025. \$920,000 USD of the debt Buyer loaned to the Company was made pursuant to eight (8) demand notes, each of which was secured by the Company's SR&ED credits.

On or about June 16, 2023, Buyer and the Company executed a reseller agreement pursuant to which Buyer acquired a license from the Company to resell the Company's services to merchants. Later that same year, Buyer and the Company also executed that certain *Stock Purchase Agreement* dated October 6, 2023, whereby Buyer believed it had purchased and acquired the Company outright. Subsequently, on or about January 5, 2024, the Company founders formally assigned all of its patent rights to Buyer. Buyer disputes the First Lien Lenders/Stalking Horse Bidders/existing management position that the Company owns the patented technology and/or has the ability to sell it. The Buyer is hopeful that this superior bid will resolve any and all ownership issues regarding the Company's technology.

Acknowledgments

The Buyer acknowledges that it has had some opportunity to conduct due diligence prior to submitting this LOI. The Buyer notes that it first sought access to the Company's data room on January 13, 2025, when it presented a proposed revised *Confidentiality and Non-Disclosure Agreement* to address the confidentiality of certain Company information already provided to the Buyer through non-confidential disclosures. Ultimately, due to the length of negotiations regarding the terms of the *Confidentiality and Non-Disclosure Agreement*, Buyer was not granted access to the Company's data room until January 21, 2025. Upon initial review of the information contained in the data room, Buyer recognized a very significant number of deficiencies and omissions within the content of the data room. The very next day, Buyer requested the status and location of certain information, including but not limited to a Word version of the Initial SHSA, to provide sufficient time for the Buyer to redline the document.

On January 28, 2025, the Buyer followed up on its initial requests for information and made additional requests to review numerous documents which were not contained in the Monitor's data room. The Buyer acknowledges that certain of these requested documents were placed in the data room on January 30, 2025, and more information was placed in the data room earlier today. Accordingly, as of the timing of submission of this LOI, the Buyer has not yet had an opportunity to review these recently disclosed documents.

[Type here]

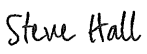


Nevertheless, this LOI does not rely upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Petitioner, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, the Sales and Investment Solicitation Process attached to the Court's December 9, 2024 *Order Made After Application (Stalking Horse and SISP Approval)* (the "SISP Order"), or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents.

The Buyer further acknowledges that is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its LOI and that it is bound by the procedures as set forth in the SISP Procedures listed as Schedule "B" to the Court's SISP Order.

If the foregoing terms and conditions are acceptable to you, please so indicate by signing a copy of this LOI and returning a fully executed copy to the undersigned.

Sincerely,

DocuSigned by:

F4A0F8C4A69F4AD...
Steve Hall


1/31/2025

cc: Cassels Brock & Blackwell LLP (via email: vtickle@cassels.com and mtomos@cassels.com)

[Type here]

Cassels

This is Exhibit "C" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.


A Commissioner for taking Affidavits
within British Columbia.

February 2, 2025

Via E-Mail

Dapit NA LLC
750 Lexington Avenue
STE 2302
New York NY 10022
United States of America

vtickle@cassels.com
tel: +1 778 309 7954
file # 057100-00006

Attention: Steve Hall

Dear Mr. Hall:

Re: In the matter of a Plan or Arrangement of Felix Payment Systems Ltd.

We confirm that we are counsel for Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") of Felix Payment Systems Ltd. (the "**Company**").

We refer to the sales and investment solicitation process (the "**SISP**") approved by the Court by Order dated December 9, 2024 (the "**SISP Approval Order**"). We also refer to the SISP Process Letter dated January 7, 2025 (the "**Process Letter**"), a copy of which was provided by the Monitor in the VDR. Capitalized terms that are used but not otherwise defined in this letter have the meanings given to them in the SISP or the Process Letter (as applicable).

We have had an opportunity to review your letter of January 31, 2025 (the "**LOI**"), submitted on behalf of Dapit NA LLC, BBSG Hall Investments, LLC, Ripcord Capital LLC, Steve Hall and SR Management LLC (collectively, the "**Dapit Group**"). The Monitor advises that the LOI does not meet the requirements for a Qualified Bid for the purposes of the SISP for various reasons, including:

- (a) it does not provide for payment in cash in full on closing. In particular, paragraph 1 of the LOI refers to a credit bid of CAD \$1,275,000 of secured funds loaned to the Company by the Dapit Group. In any event, we confirm that in order to credit bid any amount, the Dapit Group would need to prove the validity and quantum of its secured claim;
- (b) it states that the Dapit Group will "endeavour" to close by the Outside Date;
- (c) it does not contain:
 - (i) duly executed binding transaction document(s); or

- (ii) a redline to the Stalking Horse Bid;
- (d) it does not provide written evidence of the Dapit Group's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value;
- (e) it is conditional on "satisfactory completion of confirmatory due diligence";
- (f) it does not specify any of the regulatory or other third-party approvals the Dapit Group anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals);
- (g) it does not include any details of the Dapit Group's intended treatment of the Company's employees other than a comment that the Dapit Group "would consider extending offers of employment to some of the Company's employees"; and
- (h) it was not accompanied by the Deposit by wire transfer of immediately available funds equal to 10% of the Consideration Value, to be held by the Monitor in trust. The USD \$300,000 held by Lawson Lundell LLP does not satisfy this requirement;

Regarding the comments in the LOI with respect to the Dapit Group's opportunity to conduct due diligence, we confirm that the SISP was commenced by the Monitor on December 13, 2024. The Dapit Group was aware of the commencement of the SISP given that it was represented by experienced insolvency counsel at the hearing at which the SISP Approval Order was granted. Further, on December 13, 2024, the Monitor forwarded to (among others) the Dapit Group the solicitation email (the "**Solicitation Email**") advising of the commencement of the SISP and attaching the form of NDA to be executed by parties who wished to gain access to the VDR.

The first communication by or on behalf of the Dapit Group regarding its interest in participating in the SISP was received on January 3, 2025, from Mr. Andrew Clough. The Monitor responded to Mr. Clough on January 3, 2025 confirming that an NDA would need to be executed in order for the Dapit Group to be granted access to the VDR, and reattaching the Solicitation Email (which attached the form of NDA). Subsequently, on January 13, 2025, US counsel for the Dapit Group advised the Monitor that "Dapit already has a lot of information" regarding the Company. As a result, certain changes to the form of NDA were requested, and subsequently negotiated in good faith by the Monitor and the Company.

As we previously have advised your Canadian counsel, the VDR was populated with information primarily relevant to the Company's key assets, namely the technology, and as and when interested parties requested further or other information, that has been provided. We confirm that the Monitor has responded promptly to all requests by the Dapit Group for additional information (much of which was not requested by any other participant in the process). We also note that the Dapit Group apparently is working in conjunction with (or has the cooperation and assistance of) the Company's former chief technology officer, Mr. Warren Hogg.

February 2, 2025
Page 3

Notwithstanding the deficiencies regarding the LOI described above, the Company and the Monitor (with the consent of the Stalking Horse Bidder) are prepared to extend the Bid Deadline to **5:00 p.m. PST on Wednesday, February 5, 2025**, in order to provide the Dapit Group with an opportunity to rectify those deficiencies and submit a revised offer that satisfies the requirements of the SISP.

In respect of potential ongoing due diligence queries to support the Dapit Group's efforts in submitting a revised offer, the Monitor confirms that it will work to facilitate meetings among the Monitor, the Dapit Group and management of the Company early in the coming week.

Yours truly,

Cassels Brock & Blackwell LLP



Vicki Tickle
Partner

VT

cc: Christopher Wick (cwick@hahnlaw.com)
Philip K. Stovall (PStovall@hahnlaw.com)
Peter Roberts (proberts@lawsonlundell.com)
William Clark (wclark@lawsonlundell.com)
Lance Williams, Ashley Bowron (lwilliams@mccarthy.ca, abowron@mccarthy.ca)
Mary Buttery, Emma Newbery (mbuttery@osler.com, enewbery@osler.com)

From: Andrew Clough <ac@dapit.com>
Sent: Tuesday, February 4, 2025 4:00 PM
To: atillman@alvarezandmarsal.com; Poirier, Taylor
Cc: Peter Roberts (3158) - 14Flr; Christopher B. Wick; Steve Hall; Robert@danro.com
Subject: Request for meeting to discuss commissions within Felix Payment Systems VDR

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Hi Anthony and Taylor

Was informed from our counsel that we may be better served to have a video chat so as to address what we believe to be critical omissions from the data room. Please let me know your availability to discuss this matter tomorrow or Thursday.

Note that I am EST (New York) time

thanks

Best Regards,
Andrew Clough
COO



750 Lexington Ave, Suite #2302 | New York, NY 10022 | USA

ac@dapit.com

+1 917-245-7150 (cell)

[Andrew Clough - LinkedIn](#)

This is Exhibit "D" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.

A handwritten signature in black ink, appearing to be 'W. Mc', written over a horizontal line.

A Commissioner for taking Affidavits
within British Columbia.

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From: Andrew Clough <ac@dapit.com>
Sent: Thursday, February 6, 2025 11:04 AM
To: Poirier, Taylor; Tillman, Anthony
Cc: Christopher B. Wick; Peter Roberts (3158) - 14Flr
Subject: Re: Additional questions to be answered - Dapit - related to Felix

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Taylor/Anthony

This is fine with one main addition:

Regarding newer commercial opportunities:

- HP and its affiliates (including customers such as NFM, HP partners, and other arm's-length entities with an interest in Felix technology) – Have there been any documented or verbal communications regarding enhanced commercial opportunities or expressions of interest to co-invest alongside Felix, contingent upon successful implementation at NFM?
- Detailed outcomes of product evaluation and live testing results by Nebraska Furniture

Furthermore, Dapit would appreciate if you could add the following individuals to your service list immediately

Andrew Clough - co-founder Dapit - ac@dapit.com
 Chris Wick (US attorney for Dapit) - cwick@hahnlaw.com

thank you

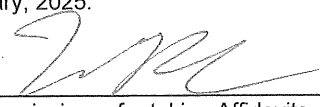
Best Regards,
 Andrew



750 Lexington Ave, Suite #2302 | New York, NY 10022 | USA

ac@dapit.com
 +1 917-245-7150 (cell)
[Andrew Clough - LinkedIn](#)

This is Exhibit "E" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.


 A Commissioner for taking Affidavits within British Columbia.

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use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, kindly notify us immediately by telephone and delete this message immediately.

From: Poirier, Taylor <tpoirier@alvarezandmarsal.com>

Date: Wednesday, 5 February 2025 at 18:39

To: Andrew Clough <ac@dapit.com>, Tillman, Anthony <atillman@alvarezandmarsal.com>

Cc: Christopher B. Wick <cwick@hahnlaw.com>, Peter Roberts <proberts@lawsonlundell.com>

Subject: Re: Additional questions to be answered - Dapit - related to Felix

Thanks Andrew.

Below is what we have sent to the Company. Please let me know if we missed anything or if you have any other comments:

General Ledger:

- Full General Ledger for 2024.

Board Minutes:

- Two board minutes were posted. Where are the other board minutes?

Litigation:

- Information regarding the civil suit filed in 2024 by Mr. Alpert.
- Any document related to the whistleblower claim.

Financial:

- Bank reconciliation as at March 31, 2024.

Commercial Opportunities with HP:

- A listing of any other commercial opportunities with HP.
- Details of any verbal discussions in respect of the same.

Contractors:

- A listing of any contractors retained/engaged since October 15, 2024, and their scope of work.

New Contracts:

- Details of any new contracts negotiated since October 15, 2024.
- Any employees renegotiated or added since October 15, 2024.

Software Security Assessments:

- Current status/approval of software security assessments performed by Riscure on behalf of the Card Brands for Android Devices that allow payments to be taken on an Android Mobile Device.
- Information regarding the Software Security Assessment from Riscure and approval by the Card Brands for processing payments on Windows Devices, as announced at the NRF trade fair, given that MPOC has not been approved.

MPOC Certification:

- Update on the MPOC phase 1 and phase 2 certification.
- Confirmation that all certifications are in good standing and details of any recertifications required in the next 6 months.

Financial Information for Specific Vendors:

- For Riscure (Keysight), Zimperium, and Fimme:
 - A summary of any outstanding payables.
 - Expected expenditures for each over the next 6 months and the reason for the expense.

Regards,

Taylor

Taylor Poirier, CPA
 Director
 Alvarez & Marsal Canada
 Cathedral Place Building
 925 West Georgia Street, Suite 902
 Vancouver, BC V6C 3L2
 Direct: +1 604 639 0852
 Fax: +1 604 638 7441
www.alvarezandmarsal.com
[LinkedIn](#) | [Facebook](#) | [Twitter](#)

Alvarez & Marsal employs CPAs but is not a licensed CPA firm

From: Andrew Clough <ac@dapit.com>
Sent: Wednesday, February 5, 2025 12:23 PM
To: Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Christopher B. Wick <cwick@hahnlaw.com>; Peter Roberts <proberts@lawsonlundell.com>
Subject: Additional questions to be answered - Dapit - related to Felix

 [EXTERNAL EMAIL]: Use Caution

Anthony and Taylor

thanks for today. Additional questions to be answered

- What is the current status/approval of software security assessments performed by Riscure on behalf of the Card Brands for Android Devices that allows payments to be taken on an Android Mobile Device
- We noticed on announcement from NRF trade fair announcement of payments being taken on Windows Devices. What is the Software Security Assessment from Riscure and approved by the Card Brands in place to allow the processing of payments since MPOC has not been approved?

Best Regards,
 Andrew Clough
 COO



750 Lexington Ave, Suite #2302 | New York, NY 10022 | USA


ac@dapit.com

+1 917-245-7150 (cell)

[Andrew Clough - LinkedIn](#)

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This is Exhibit "F" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 28 day of February, 2025.


A Commissioner for taking Affidavits
within British Columbia.

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Wednesday, February 5, 2025 4:03 PM
To: Tickle, Vicki; felixpayment@alvarezandmarsal.com; Tillman, Anthony; Poirier, Taylor
Cc: Tomos, Mihai; Peter Roberts (3158) - 14Flr; William Clark (3218) - 14Flr; Philip K. Stovall; Lance Williams - McCarthy Tétrault LLP (lwilliams@mccarthy.ca); Bowron, Ashley; Mary Buttery, KC (mbuttery@osler.com); Newbery, Emma
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]
Attachments: FPS Revised LOI Correspondence 2025.2.5 - Signed.PDF; ABF Rubie Loan documents.pdf; FPS- Redline of Stalking Horse Bid.pdf

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

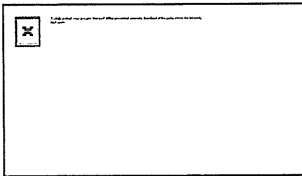
All-

On behalf of the Dapit Group, attached please find the following documents:

- Correspondence dated February 5, 2025 regarding the Dapit Group's responses revising its LOI to cure deficiencies identified in Ms. Tickle's February 2, 2025 correspondence;
- Documents relating to Mr. Hall's ownership and the valuation of 2.74 kilogram ruby in the amount of \$115,080,000 USD to be used as written evidence of the Dapit Group's ability to fully fund and consummate the transactions contemplated by the Dapit Group's bid; and
- The Dapit Group's redline of the stalking horse bid (a previous copy of which was circulated at 2:37 p.m. ET today).

The Dapit Group believes it has cured any deficiencies previously identified by the Monitor and its counsel and its LOI should constitute a Qualified Bid under the SISP Approval Order and the Process Letter. Once you have had an opportunity to review the same, please confirm the same and let us know the process for the February 11, 2025 auction.

Sincerely,
Chris Wick



Christopher Wick | Partner
Hahn Loeser & Parks LLP | MORE THAN A CENTURY OF CLIENT SERVICE
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

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From: Christopher Wick <cwick@hahnlaw.com>
Sent: Wednesday, February 5, 2025 2:37 PM
To: Tickle, Vicki <vtickle@cassels.com>; felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Lance Williams - McCarthy Tétrault LLP (lwilliams@mccarthy.ca) <lwilliams@mccarthy.ca>; Bowron, Ashley <abowron@mccarthy.ca>; Mary Buttery, KC

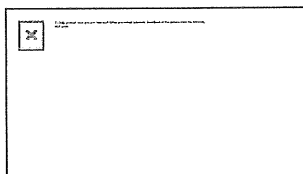
(mbuttery@osler.com) <mbuttery@osler.com>; Newbery, Emma <enewbery@osler.com>

Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

Ms. Tickle and Alvarez and Marsal,

Attached hereto, in connection with the Dapit Group's revised bid, please find a copy the Dapit Group's redline of the Stalking Horse Bid. The remainder of the deficiencies will be addressed in a correspondence circulated later today.

Sincerely,
Chris Wick



Christopher Wick | Partner

Hahn Loeser & Parks LLP | MORE THAN A CENTURY OF CLIENT SERVICE

Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488

cwick@hahnlaw.com | hahnlaw.com

200 Public Square, Suite 2800 | Cleveland, OH 44114

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From: Tickle, Vicki <vtickle@cassels.com>

Sent: Sunday, February 2, 2025 11:14 PM

To: Christopher Wick <cwick@hahnlaw.com>; felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>

Cc: Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Lance Williams - McCarthy Tétrault LLP (<lwilliams@mccarthy.ca> <lwilliams@mccarthy.ca>); Bowron, Ashley <abowron@mccarthy.ca>; Mary Buttery, KC (<mbuttery@osler.com> <mbuttery@osler.com>); Newbery, Emma <enewbery@osler.com>

Subject: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

This email originated from outside of the organization. Do not click links, open attachments or reply, unless you recognize the sender's email address and know the content is safe.

Chris,

Please see the attached correspondence.

Regards,

Cassels

VICKI TICKLE *she/her/hers*

Partner

t: +1 778 309 7954

e: vtickle@cassels.com

Cassels Brock & Blackwell LLP | cassels.com

Suite 2200, RBC Place, 885 West Georgia St.
Vancouver, British Columbia V6C 3E8 Canada

From: Christopher Wick <cwick@hahnlaw.com>

Sent: Friday, January 31, 2025 4:08 PM

To: felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>

Cc: Tickle, Vicki <vtickle@cassels.com>; Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>

Subject: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd.

CAUTION: External Email

To Whom It May Concern:

On behalf of the Dapit Group, attached please find an executed Letter of Intent to acquire the assets of Felix Payment Systems Ltd. pursuant to the terms of the December 9, 2024 *Order Made After Application (Stalking Horse and SISP Approval)*. Please feel free to reach out with any questions you may have.

Sincerely,

Chris Wick



Christopher Wick | Partner

Hahn Loeser & Parks LLP | MORE THAN A CENTURY OF CLIENT SERVICE

Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488

cwick@hahnlaw.com | hahnlaw.com

200 Public Square, Suite 2800 | Cleveland, OH 44114

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February 5, 2025

Alvarez & Marsal Canada Inc.
Attn: Anthony Tillman & Taylor Poirier
Licensed Insolvency Trustee
Cathedral Place Building
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2

Phone: 604-639-0853
Fax: 604-638-7441
Email: felixpayment@alvarezandmarsal.com
atillman@alvarezandmarsal.com; and
tpoirier@alvarezandmarsal.com

RE: In the matter of a Plan or Arrangement of Felix Payment Systems

Dear Mr. Tillman:

This correspondence confirms that The Dapit Group¹ is in receipt of Ms. Tickle's correspondence dated February 2, 2025 regarding the eight (8) reasons why The Dapit Group's initial LOI did not satisfy the requirements to be considered a Qualified Bid pursuant to the terms of the SISP Approval Order. The Dapit Group appreciates the Monitor's extension of the Dapit Group's Bid Deadline to 5:00 p.m. PST today to rectify these enumerated deficiencies and submit a revised offer that satisfies the requirement of the SISP. We also appreciate the Monitor's time and willingness to discuss these bid deficiencies with The Dapit Group's counsel yesterday. Accordingly, The Dapit Group resubmits its LOI with the following modifications:

- a) To prove the validity and quantum of The Dapit Group's proposed credit bid, yesterday Peter Roberts of Lawson Lundell forwarded copies of certain loan documentation and confirmation of numerous wire transmissions from SR Hall Management to the Company in the following amounts:
 - i. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated February 14, 2024 for USD \$140,000;
 - ii. Demand Loan Agreement dated February 27, 2024, Security Agreement and Secured Promissory Note dated February 27, 2024 for USD \$80,000;
 - iii. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated March 13, 2024 for USD \$70,000;

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in Dapit's letter dated January 31, 2025, and incorporate the terms of its LOI as if fully rewritten herein.



- iv. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated April 10, 2024 for USD \$135,000;
- v. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated April 26, 2024 for USD \$185,000;
- vi. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated May 13, 2024 for USD \$145,000; and
- vii. Demand Loan Agreement, Security Agreement and Secured Promissory Note dated August 14, 2024 for USD \$110,000.

Each of these Demand Loan Agreement, Security Agreement and Secured Promissory Note are collectively referred to herein as the “**Loan Documents**”. I digitally signed each of Loan Agreements on behalf of SR Hall and Warren Hogg, then a director of the Company, digitally countersigned each of the Loan Documents.

Concurrently with the execution of each of the respective Loan Documents, SR Hall, or the Dapit Group, on behalf of SR Hall, made eight (8) wire transfers to the Company from accounts at Ameris Bank in the amounts as contemplated in the Loan Documents. Specifically:

- i. On February 14, 2024, SR Hall wired the sum of \$70,000 USD twice to Felix;
- ii. On February 27, 2024, Dapit, as agent for SR Hall, wired the sum of \$40,000 USD to Felix;
- iii. On February 28, 2024, SR Hall wired the sum of \$40,000 USD to Felix;
- iv. On March 13, 2024, SR Hall wired the sum of \$70,000 USD to Felix;
- v. On April 10, 2024, SR Hall wired the sum of \$135,000 USD to Felix;
- vi. On April 26, 2024, SR Hall wired the sum of \$185,000 USD to Felix;
- vii. On May 14, 2024, SR Hall wired the sum of \$145,000 USD to Felix; and
- viii. On August 13, 2024, SR Hall wired the sum of \$110,000 USD to Felix.

These claims of SR Hall against the Company are secured by (i) the Security Agreements in the Loan Documents, which secures these loans by all present and after acquired personal property of Felix; and (ii) a General Security Agreement dated August 14, 2024 between the Second Lien Lenders, as secured parties, and Felix, as Debtor, (the “**August 2024 GSA**”). The August 2024 GSA was digitally signed by Warren Hogg, a director of Felix, on August 22, 2024 and subsequently provided to SR Hall.



Contemporaneously herewith, the Dapit Group has filed its application with the Court to prove the validity and quantum of its secured claims against the Company. In addition, paragraph 41 and Exs. FF to MM of Andrew Cole's Affidavit #1 further confirms the Company's receipt and secured nature of these funds by SR Hall. To the extent the Monitor requires additional information prior to Court

- b) The Dapit Group confirms that it will close by the Outside Date of February 28, 2028, subject to the terms and conditions contained in the SISP Approval Order and January 7, 2025 Process Letter including but not limited to the Dapit Group being named as the Successful Bid or the Back-Up Bid.
- c) Earlier today, counsel for the Dapit Group provided the Monitor and its counsel, a redline of the Stalking Horse Bid. In an abundance of caution, a copy of this redline is enclosed herein.
- d) Enclosed herein, as written evidence of the Dapit Group's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction, including its ability to fund the cash portion of the Consideration Value is a group of documents verifying my ownership of and the value of a 2.74 kilogram ruby (the "Gem"). Specifically, included in the attached PDF, is a *Safekeeping Receipt* issued by the Global Trust Depository on October 28, 2024, which is good for one year, indicating that it is holding the Gem on Mr. Hall's behalf. In addition, there is a GIA Gemological Report appraising the value of the Gem at One Hundred Fifteen Million Eighty Thousand Dollars (\$115,080,000.00 USD). Finally, as a part of the PDF, there is an offer to provide a line of credit in the amount of \$33,750,000, secured by the Gem as proof of the Gem's liquidity. Mr. Hall owns this Gem outright and he has not secured any other lines of credit using the Gem. If necessary, Mr. Hall could use the Gem to secure financing to fully fund any and all transactions contemplated by the Dapit Group's LOI, as modified herein.
- e) Per the Dapit Group's communications, via counsel, with the Monitor and its counsel on February 4, 2025, the Dapit Group removes any condition of closing on the basis of the Dapit Group's satisfactory completion of any confirmatory due diligence. The Dapit Group understands, and is under the impression that the Monitor and the Company concur, that the Dapit Group continues to make due diligence requests of the Company and that the Company and the Monitor are attempting to respond to the Dapit Group's diligence requests to the best of their respective abilities.
- f) The Dapit Group does not condition its Closing upon any regulatory or other third-party approvals. To the extent there are any regulatory obligations, the Dapit Group assumes any and all responsibility for obtaining these approvals.
- g) The Dapit Group understands that, through the February 4, 2025 call between the Dapit Group's counsel and the Monitor and its counsel, the Dapit Group's intended treatment of the Company's employees was removed as a Qualified Bid deficiency and determined to be more of a closing issue due to the fact that the Dapit Group had not yet had access to



the Company's personnel review files. To remove any confusion or doubt, the Dapit Group shall adhere to the requirements of Section 6.8 (Employee Matters) of its redlined Stalking Horse Bid wherein it shall make commercially reasonable efforts to make any employment offers in writing on or prior to the date that is ten (10) days prior to the anticipated Closing Date, provided that such offers shall be made no later than six (6) days prior to the anticipated Closing Date, and leave such offers open for acceptance up to and including two (2) days prior to the Closing Date, provided that the Dapit Group notifies the Company, in writing, on or prior to the date that is six (6) days prior to the anticipated Closing Date, of the list of individuals to whom it has made or intends to make offers of employment.

- h) On February 4, 2025, through Canadian Counsel, the Dapit Group wired the sum of \$743,195.75 CAD to the Monitor per its wiring instructions contained in the data room as the Dapit bid deposit. The Dapit Group acknowledges that its deposit is \$28,059.15 CAD short of ten percent of the Dapit purchase price [10% would be \$771,254.90 (CAD)]. Based on a conversation with you this afternoon, it is the Dapit Group's understanding that the current amount will satisfy the Deposit obligation in the SISP Approval Order and that the Dapit Group does not need to transfer the additional funds into the Monitor's account.

The Dapit Group presumes these aforementioned revisions to its previously submitted LOI will cure any and all deficiencies previously cited by the Monitor. To the extent the Monitor believes that there are any remaining deficiencies, the Dapit Group respectfully requests a short continuance of its bid deadline to support the Dapit Group's effort in submitting a Qualifying Bid.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads 'Steve Hall'.

F4A0F8C4A69F4AD...

Steve Hall

2/5/2025



71-75 Shelton Street, Covent Garden, London, WC2H 9JQ
United Kingdom | WWW.DNB.LTD.COM

CLIENT AUTHORIZED PROPOSAL REQUEST FOR
Asset Backed Financing
CONTENTS CONTAINS CONFIDENTIAL DATA

Dated: [REDACTED]

Re: Asset backed financing transaction

Mr. [REDACTED]

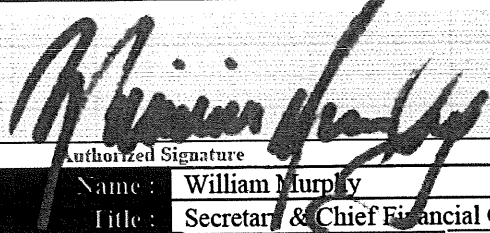
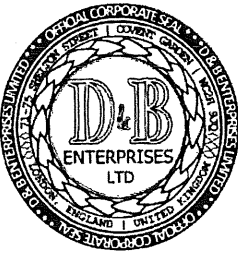
Pursuant to my conversation earlier today with our counsel, I have prepared the accompanied information and details subsequent to my receipt of written authorization to release the enclosed information for our Client and asset owner. All personal and corporate details, asset verification data including appraisals, GIA certifications, safe keeping facility and vault storage entity and contact details, attorney attestation and storage vault's safe keeping receipt are included herein for your review and assessment. Client is seeking short term asset backed financing, guaranteed with the legal encumbrance using the assets described herein. The below data considers presentation and encumbrance of both assets; however, a negotiated alternative can consider an alternative financing structure to include use of two (2) assets.

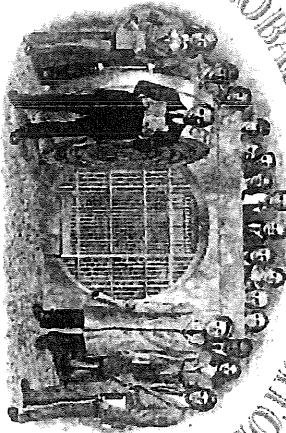
The following structure is submitted for review and evaluation:

Percent Loan to (appraised) Value (LTV)	Fifteen Percent (15%)
Calculated LTV in USD	Thirty-Three Million Seven Hundred Fifty Thousand (\$33,750,000.00)
Financing Term in Months / Days	Three Months / Ninety Calendar Days
Financing Interest Rate Percentage	Two Percent (2%) per Thirty (30) day period
Security Guarantee	Vault issued encumbrance and lien, registered and recorded as restricted until satisfaction of principal and interest confirmed received
Default / Expiration of Loan Period	Non-payment after ninety-one days from receipt of financing defaults asset to lender as remedy to cure material default of payment

I have compiled the enclosed data, taken from a standard compliance summary package. While the Client has not executed the document pages herein, this communication consists confidential personal and asset information, sent via privilege, for receipt and review. If your financing lender would like to initiate communications to proceed forward with discussions, the Client, as the sole, legal owner of the assets, is ready to judiciously proceed and capable to execute and close before the end of business [REDACTED]

I will await your response and feedback; thank you for your time, attention, and expansion of our mutual business development.

For and on behalf of D&B ENTERPRISES, LTD	COMPANY SEAL
 Authorized Signature	
Name : William Murphy	
Title : Secretary & Chief Financial Officer	
Date Executed : [REDACTED]	



SAFEKEEPING RECEIPT

We, GLOBAL TRUST DEPOSITORY, do hereby unconditionally guarantee and swear under the penalty of perjury that we have on deposit in our safe deposit boxes located in Citibank or our own subterranean vaults the herein stated valuable asset. This Safekeeping Receipt will be in full force and effect for One (1) year from its issuance date above. The bearer of this instrument has one hundred percent complete contractual authority over the asset covered by this Safekeeping Receipt. The stated appraised value, supported by K. David Gruber G.G. (GIA) of Heritage Jewelry Appraising INC. located in Ocoee, Florida is One Hundred Fifteen Million, Eighty Thousand (\$115,080,000.00) US Dollars. The asset covered by this Safekeeping Receipt is:

ONE (1) NATURAL CORUNDUM RUBY
2.74 KILOGRAMS
OUR DEPOSITOR
STEPHEN RAYMOND HALL

GLOBAL TRUST DEPOSITORY
HEREBY CERTIFY THAT THIS IS A
TRUE AND EXACT COPY OF THE ORIGINAL

X *William Bennett* 10/29/24

We, GLOBAL TRUST DEPOSITORY, do hereby unconditionally guarantee and swear under penalty of perjury, that we have on deposit the above herein stated assets. These assets will be secured within our in-house vaults and vault space we have contracted to use in Citibank and other secure storage facilities.



GLOBAL TRUST DEPOSITORY
By *Clare Hill*
President



CERTIFICATE OF ANALYSES



GIA®

GIA GEMOLOGICAL REPORT

RUBY REPORT

GIA REPORT 5222279945

February 15, 2022

DETAILS

Shape..... Rough
 Transparency..... Translucent To Opaque
 Color..... Variegated Purplish Red, Green And Black

RESULTS

Species..... Natural Corundum
 Variety..... Natural Ruby with Zoisite Matrix

TREATMENT

No Indications of Heating

Item Description: One rough stone
 Weight: 2.74 kilograms
 Measurements: 13.60 x 11.20 x 10.80 cm
 Comments: None

FACSIMILE This is a digital representation of the original GIA Report. The representation may not be accurate in color or in the original text. It is not intended to be used as a substitute for the original report. Please refer to the original report for the most accurate information.

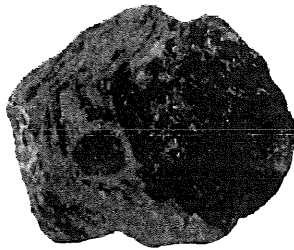


Image is approximate

The results documented in this report refer only to the article described, and were obtained using the techniques and equipment used by GIA at the time of examination. This report is not a guarantee or valuation. For additional information and important limitations and disclaimers, please see www.gia.edu/terms or call +1 800 421 7250 or +1 760 401 4500. ©2021 Gemological Institute of America, Inc.

REPORTING A ROW



HERITAGE JEWELRY APPRAISING INC.**PROFESSIONAL*INDEPENDENT*APPRAISALS**

1746 EAST SILVER STAR ROAD, SUITE 177

OCFEE, FLORIDA 34761

David@Heritagejewelryappraising.com

Appraisal Done on Genuine Ruby Rough Gemstone

HERITAGE JEWELRY APPRAISING INC.

PROFESSIONAL*INDEPENDENT*APPRAISALS

1746 EAST SILVER STAR ROAD, SUITE 171

OCDEE, FLORIDA 34761

David@Heritagejewelryappraising.com

October 31, 2022

Cert No: HJA-1032022-5222279945

To:

**Appraisal Certificate**

This is to certify THAT WE ARE ENGAGED IN THE JEWELRY BUSINESS, appraising diamonds, and precious stones of all descriptions and have engaged in said business for several years. We herewith certify we have carefully examined the following listed and described article. We estimate the value as listed for insurance or other purpose at the current retail value, excluding Federal and other taxes. In making this appraisal, we DO NOT agree to purchase or replace the articles. The foregoing appraisal is made and accepted upon express understanding that the appraiser giving same incurs NO LIABILITY or RESPONSIBILITY.

Picture:**GIA Report Number: 5222279945**

K. David Gruber G.G. (GIA)

HERITAGE JEWELRY APPRAISING INC.

PROFESSIONAL*INDEPENDENT*APPRAISALS

1746 EAST SILVER STAR ROAD, SUITE 171

OCFEE, FLORIDA 34761

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Picture:**GIA Report Number: 5222279945**

K. David Gruber G.G. (GIA)

HERITAGE JEWELRY APPRAISING INC.

PROFESSIONAL *INDEPENDENT* APPRAISALS

1746 EAST SILVER STAR ROAD, SUITE 171

OCOE, FLORIDA 34761

David@Heritagejewelryappraising.com

Description:

Gemological Institute of America Identification Report Number: 5222279945

GIA Lab Report Dated: February 15, 2022

Transparency: Variegated Purplish Red, Green and Black

Conclusion: Natural Ruby with Zoisite Matrix

Measurements: 13.60 X 11.20 X 10.08 CM

Approximate Weight: 2.74 Kilograms (13,700 carats)

Comment: None

GIA

5222279945

DETAILS

Shape

Weight

Measurements

Comments

RESULTS

Conclusion

Transparency

Measurements

Comments

REMARKS

None

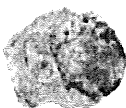
None

None

None

TREATMENT

None



K. David Gruber
K. David Gruber G.G. (GIA)

HERITAGE JEWELRY APPRAISING INC.

PROFESSIONAL*INDEPENDENT*APPRAISALS

1746 EAST SILVER STAR ROAD, SUITE 171

OCFEE, FLORIDA 34761

David@heritagejewelryappraising.com

Under Fluorescent Long-Wave the gemstone is Translucent to Opaque. Test were carried out with standard method S.G/ U.V / ABS Spectrum/ 10x Magnification/ R.I

I have personally inspected this rare specimen. All of the original documents of ownership have been shown to me, and have been verified.

Valuation: The Total replacement value is calculated to reflect an approximate weight loss of 40% due to Matrix removal and the Cutting process for this rare specimen is: \$14,000.00 per carat.

The Appraised Value of this Rare Specimen is: \$115,080,000.00 (One Hundred Fifteen Million Eighty Thousand USD)

Gemological Institute of America

Grants this Diploma to

K. David Gruber

*who has successfully met the existing requirements
of this Institute by completing the examinations, research, and assigned projects
thus earning recognition as a*

Graduate Gemologist

*Issued by the Board of Governors upon recommendation of the faculty
at Santa Monica, California with all the rights and privileges thereto appertaining*

April 21, 1994



*Richard L. Smith
William J. Foreman
John W. Brown*

CORPORATE SEAL

K. David Gruber
K. David Gruber G.G. (GIA)



Appraisal Scope & Appraiser Certification

This report is designed to report an appraisal of uncut natural gemstones. This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the gemstones, (2) research, verify, and analyze data from available public and/or private sources, and (3) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for a lender or client to evaluate the collateral that is the subject of this appraisal for any sale or finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender or client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the collateral sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject gemstones. I have reported their condition in factual, specific terms.
3. I performed this appraisal in accordance with the standard practices of the jewelry and gemstone appraisal community and the Gemological Institute of America.
4. I developed my opinion of the market value of the gemstones that are the subject of this report based on my experience as a GIA certified gemologist. I have adequate market data and experience to develop a reliable value approach for this appraisal assignment.
5. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject gemstones.
6. I have knowledge and experience in appraising this type of gemstone collateral.
7. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

8. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
9. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
10. I have no present or prospective interest in the gemstone collateral that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners of the gemstone collateral or of the present owners of the gemstone collateral or on any other basis prohibited by law.
11. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending loan application).
12. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
13. The lender/client may disclose or distribute this appraisal report to any party.
14. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations.
15. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

HERITAGE JEWELRY APPRAISING INC.

PROFESSIONAL*INDEPENDENT*APPRAISALS

1746 EAST SILVER STAR ROAD, SUITE 171

OCOCHEE, FLORIDA 34761

www.heritagejewelryappraising.com

Appraiser Credentials

BUSINESS EXPERIENCE:

President Heritage Jewelry Appraising, Inc.
1746 East Silver Star Road Suite 171
Ocoee, Florida 34761

APPRAISAL EXPERIENCE:

Private Client Appraisal, Retail Jewelers, Commercial Banks, Attorneys, Insurance Companies, and Expert Witness Testimony.

EDUCATION:

University of Utah, SLC, Utah – Paramedic Program, Geology Course Concentration
Gemological Institute of America (GIA) - Graduate Gemologist (G.G.) - Diploma 4/21/1994
Gemological Institute of America (GIA) - Graduate Colored Stones - Diploma 4/21/1994
Gemological Institute of America (GIA) - Graduate Diamonds - Diploma 7/07/1992
Gemological Institute of America (GIA) - Gold and Precious Metals - Certificate 06/19/1995
Gemological Institute of America (GIA) - Identifying Challenging Synthetics – L.O.A. 3/01/1996
Gemological Institute of America (GIA) - Detecting Treated Emeralds, Rubies, Sapphires – L.O.A. 3/01/1996
Gemological Institute of America (GIA) - Detecting Fractured Filled Diamonds L.O.A. 2/23/1996
Stewart's International School for Jewelers – Gemology, stone Setting, And Casting
New Approach School for Jewelers – Advance Stone Setting, Platinum Fabrication

PROFESSIONAL SOCIETIES AND ACTIVITIES:

Gemological Institute of America Alumni Association, Orlando Gemological Club, Tampa Gem Club, Firearms Engravers Guild of America, Knife Makers Guild of America, Florida Knife Makers Guild.

PROFESSIONAL HANDS ON EXPERIENCE:

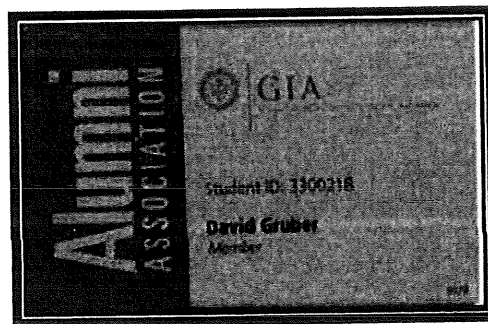
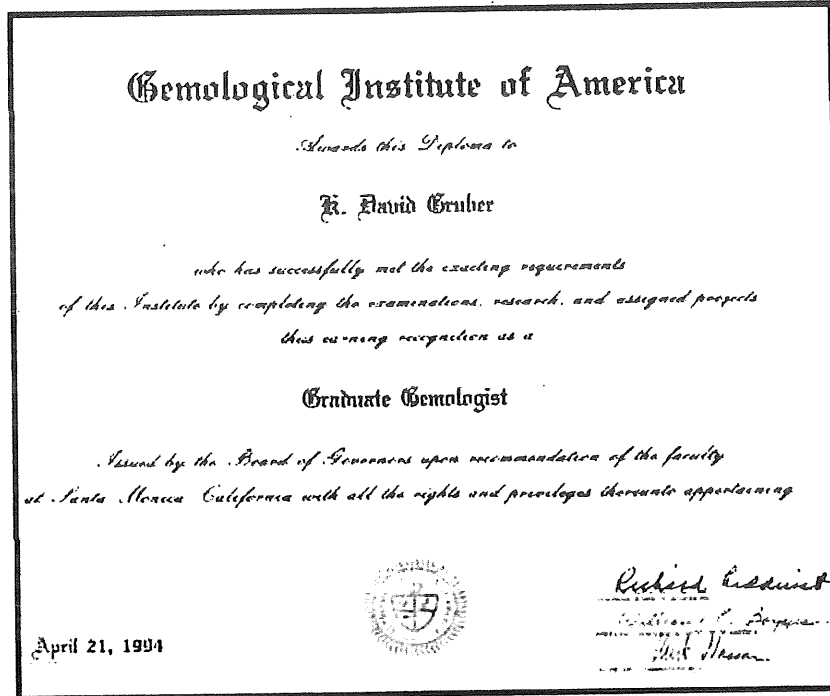
+36 years of experience Identifying, Mining, Cutting and Appraising Diamonds and Precious Gemstones. Very few appraisers have my experience and are adept at evaluating and appraising rough uncut gemstones for value. Through the years I have accumulated substantial comparable valuation reports covering many large and hard to value gemstones. I am a professional jeweler since 1984 and have been preparing appraisals for over 26 years since earning my GIA credentials in 1994.

PROFESSIONAL CONTACTS:

I have the privilege of working with many of the world's largest DeBeers sight holders which affords me the unique opportunity to offer some of the world's largest and most important diamonds as well as natural colored diamonds. In addition I have extensive access to private collections which are made available for sale from time to time.

HERITAGE JEWELRY APPRAISING INC.
 PROFESSIONAL*INDEPENDENT*APPRAISALS
 1746 EAST SILVER STAR ROAD, SUITE 171
 OCOEE, FLORIDA 34761
www.Heritagejewelryappraising.com

GEMOLOGICAL INSTITUTE OF AMERICA DIPLOMA APRIL 21, 1994:



STALKING HORSE SUBSCRIPTION AGREEMENT

This Agreement is made as of the 31st^{3rd} day of January~~December~~, 20245 (the “Effective Date”)

BETWEEN:

FELIX PAYMENT SYSTEMS LTD.

– and –

DapIt NA, LLC, LLC

and

BBSG Hall Investments, LLC;

and

Ripcord Capital LLC;

and

SR Management LLC

and

Steve Hall~~JAKE BOXER~~

–and–

~~DOUG MORDY~~

–and–

~~CA MORDY LEGACY TRUST~~

–and–

~~PEL CHARTERED PROFESSIONAL ACCOUNTANTS
INC.~~

WHEREAS:

- A. On October 15, 2024, Felix Payment Systems Ltd. (the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as proposal trustee in the NOI proceedings. Subsequently, on November 25, 2024, the Company was granted an initial order (as may be amended and restated from time to time, the “**Initial Order**”) by the Supreme Court of British Columbia (the “**Court**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, A&M was appointed as monitor (the “**Monitor**”) in the CCAA Proceedings.
- B. In connection with the CCAA Proceedings, the Company, in consultation with the Monitor, intend to conduct a sale and investment solicitation process (“**SISP**”) to solicit offers for all or a portion of the Business (as hereinafter defined) and/or assets of the Company.
- C. Pursuant to the SISP, Jake Boxer, Doug Mordy, the CA Mordy Legacy Trust and PEL Chartered Professional Accountants Inc. (collectively, the “**Boxer Group Purchaser**”) was has been selected

as the stalking horse bidder and as such, the ~~the Boxer Group~~ Purchaser has agreed to subscribe for, and the Company has agreed to issue, the Purchased Shares (as hereinafter defined) on and pursuant to the terms set forth herein if the Purchaser becomes the successful bidder pursuant to the SISP.

~~C.D.~~ Subsequently, on or about January 31, 2025, DapIt NA, LLC (the “Purchaser”) submitted a Qualified Bid, as such term is defined in the December 9, 2024 *Order Made After Application (Stalking Horse and SISP Approval)* in the CCAA Proceedings, wherein the Purchaser agreed to subscribe for and the Company has agreed to issue, the Purchased Shares (as hereinafter defined) on and pursuant to the terms set forth herein if the Purchaser becomes the successful bidder pursuant to the SISP.

~~D.E.~~ The Company and the Purchaser (collectively, the “Parties”) wish to enter into this Agreement to set out the terms pursuant to which the Purchaser will acquire the Purchased Shares.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the following terms shall have the following meanings:

“**Administration Charge**” has the meaning given to it in the Initial Order, as may be amended and restated from time to time.

“**Administrative Wind-down Amount**” means cash in the amount of \$50,000 to be used to satisfy the costs incurred by the Monitor and its professional advisors to administer ResidualCo, the Company, and the Excluded Assets and Excluded Liabilities, and to wind-down and/or dissolve and/or bankrupt ResidualCo.

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (British Columbia).

“**Agreement**” means this stalking horse subscription agreement, as may be further amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (a) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (c) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, in a form to be mutually agreed upon by the Purchaser and the Company, each acting reasonably.

"Approval and Vesting Order Hearing" means the hearing before the Court for, *inter alia*, the Approval and Vesting Order.

"Articles of Reorganization" means articles of reorganization, or an equivalent amendment to constating documents, in respect of the authorized and issued capital of the Company to (i) create a new class of shares of the Company, being the Class "A" Common Shares; and (ii) provide for the redemption or cancellation of all of the Existing Shares of the Company, for no consideration at Closing; such articles of reorganization to be in a form and substance satisfactory to the Purchaser and the Monitor, acting reasonably.

"Assumed Contracts" means the Contracts listed in Schedule "FF", as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearing in accordance with the terms hereof (and including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time).

"Assumed Liabilities" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "EE", as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearing, provided that consent of the Company and the Monitor is required for the removal of any Assumed Liabilities in accordance with the terms hereof; and (b) ~~all obligations existing under or in connection with the DIP Lender's Charge; (c) all obligations existing under or in connection with the First Lien Charge; (d) all Liabilities which relate to the Permits and Licenses and the Business under any Assumed Contracts, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.~~

"Authorization" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Books and Records" means: (i) all of the Company's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records; and (ii) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records used or intended for use by, or in the possession of the Company, including information, documents and records relating to the Assumed Contracts, the Employees, customer lists, customer information and account records, sales records, computer files, data processing records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

"Business" means the business historically conducted by the Company being cloud based payment acceptance structure and associated software systems.

"Business Day" means a day on which banks are open for business in Vancouver, British Columbia, but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia.

"CCAA" has the meaning set out in the recitals hereto.

“CCAA Charges” means the charges granted by the Court in the CCAA Proceedings.

“CCAA Charge Amount” means cash in an amount sufficient to satisfy the amounts owing in respect of the obligation secured by the CCAA Charges which rank in priority to the First Lien Charge.

“CCAA Proceedings” has the meaning set out in the recitals hereto.

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in action or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“Closing” means the closing and consummation of the Transaction.

“Closing Date” means the date that is not less than five (5) Business Days after the date upon which the conditions set forth in ARTICLE 9 have been satisfied or waived, other than any conditions set forth in ARTICLE 9 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

“Closing Payment” has the meaning set out in Section 3.2.

“Closing Time” means 12:01 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which the Company is a party or by which the Company is bound or in which the Company has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

“Company” has the meaning set out in the recitals hereto.

“Court” has the meaning set out in the recitals hereto.

“DIP Lender’s Charge” has the meaning set out in the Initial Order, as may be amended and restated from time to time.

“DIP Term Sheet” means the DIP Facility Term Sheet dated November 21, 2024, whereby Jake Boxer, the CA Mordy Legacy Trust and PEL Chartered Professional Accountants, as lender, established a credit facility in favour of the Company in the maximum aggregate principal amount of \$2,100,000, as may be amended, restated, or supplemented from time to time.

“Effective Date” has the meaning set out in the preamble hereto.

“Employee” means any individual who is employed by the Company as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 9.2(e).

“Employee Termination Costs” has the meaning set out in Section 6.8(c).

“Encumbrance” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a

third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“Excluded Assets” means the properties, rights, assets and undertakings of the Company listed as “Excluded Assets” on Schedule “AA”, as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearings in accordance with the terms hereof.

“Excluded Contracts” means those contracts and other agreements of the Company that are not Assumed Contracts and for greater certainty, includes those contracts and agreements which are listed on Schedule “BB”, as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearings in accordance with the terms hereof.

“Excluded Liabilities” has the meaning set out in Section 4.2.

“Existing Shares” means: (i) all of the common shares of Company that are issued and outstanding immediately prior to the Closing Time; and (ii) any other equity interests of any nature or kind of the Company, whether voting or non-voting, whether preferred, common or otherwise, whether convertible or otherwise, including any Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with any such equity interests. For greater certainty, Existing Shares do not include the Purchased Shares.

“First Cole Affidavit” means the First Affidavit of Andrew Cole sworn November 21, 2024 and filed in the CCAA Proceedings

“First Lien Charge” means the charge in favour of Jake Boxer, The CA Mordy Legacy Trust and Brookridge Chartered Professional Accountants Inc. (former name of PEL Chartered Professional Accounts Inc.) registered pursuant to the *Personal Property Security Act* (British Columbia) under base registration numbers 160139Q dated January 29, 2024 and 186604Q dated February 12, 2024.

“First Lien Loan Documents” means the loan documents in favour of First Lien Lenders (as defined in the First Cole Affidavit) as attached as Exhibits E-L, N-U, and Y-CC to the First Cole Affidavit.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial, municipal or supra-national; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“Implementation Steps” means the transactions, acts and events described in Exhibit “AA”, as the same may be modified in accordance with Section 8.2 and the Approval and Vesting Order, which are to occur in the sequence described therein.

“Income Tax Act” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“Initial Order” has the meaning set out in the recitals hereto.

“Interim Period” means the period from the Effective Date to the Closing Time.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Material Adverse Change” means any one or more changes, effects, facts, developments, events or occurrences that, individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the Business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Company, but excluding any such changes, effects, facts, developments, events or occurrences that result from or arise out of: (A) changes in general economic conditions; (B) changes affecting the industries and markets in which the Business operates; (C) changes in macroeconomic factors, interest rates, currency exchange rates or general financial or credit market conditions, (D) acts of God, war, terrorism, civil unrest or hostilities; (E) the COVID-19 pandemic or other epidemic or pandemic outbreaks including any continuation or escalation thereof; (F) any change in law or its interpretation, administration or application or non-application by any Governmental Authority or in generally acceptable accounting principles; (G) any failure to meet any internal or publicly disclosed projections, forecasts, estimates or budgets of, or guidance relating to, revenue, cash flow, earnings or other financial metrics for any period; (H) any action taken (or omitted to be taken) by the Company that is permitted under this Agreement or consented to by the Purchaser; (I) any change or development in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts; (J) the pendency of the CCAA Proceedings and any action approved by, or motion made before, the Court; or (K) any announcement of the Transaction, the identity of the Purchaser or any action or inaction of the Purchaser or its Affiliates.

“Monitor” has the meaning set out in the recitals hereto.

“Monitor’s Certificate” means the certificate deliver to Purchaser and filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Company and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the Transaction has been completed.

“Organizational Documents” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“Outside Date” means 11:59 pm (Vancouver time) on February 28, 2024 or such later date and time as the Parties may agree to in writing.

“Parties” means the Company and the Purchaser, and **“Party”** means any one of them.

“Permits and Licenses” means the permits, licenses, authorizations, approvals or other evidence of Authority related to the Business and issued to, granted to, conferred upon, or otherwise created for the Company.

“Permitted Encumbrances” means those Encumbrances related to the Retained Assets as set forth in Schedule “DD”, as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearing Date in accordance with the terms hereof.

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"Priority Payments" means those payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA.

"Purchase Price" has the meaning set out in Section 3.1.

"Purchased Shares" has the meaning set out in Section 2.1(a).

"Purchaser" has the meaning set out in the recitals hereto.

"ResidualCo" means a corporation incorporated or to be incorporated under the laws of Canada or a province thereof at least three (3) days prior to the Approval and Vesting Order Hearing Date, to which the Excluded Assets and Excluded Liabilities will be transferred pursuant to the Approval and Vesting Order and in accordance with the Implementation Steps, and which shall have no issued and outstanding shares.

"Retained Assets" has the meaning set out in Section 4.1.

"SISP Order" means the Order of the Court approving the SISP.

"Successful Bid" has the meaning set out in the SISP.

"Tax" and **"Taxes"** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by an Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, British Columbia and other government pension plan premiums or contributions.

"Tax Return" means any return, declaration, report, statement, information statement, form, election, amendment, claim for refund, schedule or attachment thereto or other document filed or required to be filed with a Taxing Authority with respect to Taxes.

"Taxing Authority" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing authority of the U.S. and each and every state and locality of the U.S., and any Canadian, U.S. or other Governmental Authority exercising taxing authority or power, and "Taxing Authority" means any one of the Taxing Authorities.

"Terminated Employee" has the meaning set out in Section 6.8.

"Transaction" means all of the transactions contemplated by this Agreement, including the transactions whereby the Purchaser will acquire the Purchased Shares.

“Transaction Regulatory Approvals” means any material licenses, permits, grants, or approvals required from any Governmental Authority or under any Applicable Laws relating to the Business and operations of the Company that would be required to be obtained in order to permit the Company and Purchaser to complete the Transaction.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchaser have acquired the Purchased Shares hereunder shall be construed as having been contingent upon Closing having occurred.

1.7 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.8 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A - Implementation Steps

SCHEDULES

Schedule A - Excluded Assets

Schedule B - Excluded Contracts

Schedule C	-	Excluded Liabilities
Schedule D	-	Permitted Encumbrances
Schedule E	-	Assumed Liabilities
Schedule FF	-	Assumed Contracts

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Shares

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, and subject to the completion of the Implementation Steps required to be completed prior to the Closing Time, the Company shall issue to the Purchaser, and the Purchaser shall subscribe for that number of shares in the share capital of the Company from treasury, to be specified by the Purchaser at least two (2) Business Days prior to the Approval and Vesting Order Hearings, which shares shall be free and clear of all Encumbrances (the “**Purchased Shares**”).
- (b) Pursuant to the Approval and Vesting Order and, if required, the Articles of Reorganization, in accordance with the Implementation Steps, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled, without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.
- (c) For the avoidance of doubt, upon the Closing, following the issuance of the Purchased Shares, the cancellation of the Existing Shares and the completion of the Implementation Steps, Felix shall be wholly owned by the Purchaser.

2.2 Assumed Liabilities

The Assumed Liabilities of the Company shall continue to be Liabilities of the Company as of the Closing.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The total aggregate consideration payable by the Purchaser for the Purchased Shares is estimated to be **[\$8,987,559.006,792,000]** (the “**Purchase Price**”) and shall be equal to the following:

- (a) all amounts outstanding and obligations payable by the Company under or in connection with the DIP Term Sheet and secured by the DIP Lender’s Charge, including principal, interest and fees accrued up to and including the Closing Date, which indebtedness shall be paidassumed by the Purchaser at Closing, which amount is estimated to be \$2.65 million; plus

(b) all amounts confirmed by the Court to be determined to be outstanding and obligations payable by the Company under or in connection with the First Lien Loan Documents and secured by the First Lien Charge, including principal, interest and fees accrued up to and including the Closing Date, which indebtedness shall be paidassumed by the Purchaser at Closing; plus

(c) all amounts outstanding and obligations payable by the Company under or in connection with the demand notes and other loan documents by Purchaser and its affiliated entities to the Company prior to the commencement of the CCAA Proceedings, which indebtedness shall be assumed by the Purchaser at Closing; plus

(b) —

(e)(d) the value of all other Assumed Liabilities, if any, to be satisfied by the Purchaser performing and/or discharging such Assumed Liabilities as and when they become due; plus

(e) the value of the Administration Charge, which amount shall be paid at Closing; plus

(d)(f) The value of the Closing Payment, to be paid by the Purchaser in accordance with Section 3.2 of the Final Stalking Horse Subscription Agreement (the "Final SHSA").

For greater certainty, should the estimate set out above differ from the actual amount to be calculated in accordance with Section 3.1(a) through (ee), the Purchaser Price shall be the actual amount calculated in accordance with Section 3.1(a) through (ee).

3.2 Closing Payment

- (a) At Closing, the Purchaser shall pay to the Monitor an amount equal to the sum of: (i) the Priority Payments; (ii) the CCAA Charge Amount; and (iii) the Administrative Wind-down Amount (collectively the "**Closing Payment**"), provided, however, that such amount shall not exceed \$500,000. The Monitor shall hold the Closing Payment in trust for the benefit of Persons entitled to be paid from the Closing Payment.
- (b) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 3.2; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Company pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional misconduct. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.2 notwithstanding that the Monitor is not a party to this Agreement.

ARTICLE 4 TRANSFER OF EXCLUDED ASSETS, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets and Excluded Contracts to ResidualCo

At Closing, the Company shall retain all of the assets owned by it on the Effective Date and any assets acquired by it up to and including Closing, including, without limitation, the Purchased Shares, the Company's equipment, Assumed Contracts, Permits and Licenses, Books and Records, Business and undertakings (collectively, the "**Retained Assets**"). The Retained Assets shall not include: (i) the Excluded

Assets; and (ii) the Excluded Contracts. The Excluded Assets and the Excluded Contracts shall be transferred to ResidualCo in accordance with the Implementation Steps, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Implementation Steps and the Approval and Vesting Order, save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company, the Purchased Shares, or against, relating to or affecting any of the Retained Assets, including, inter alia, the non-exhaustive list of Liabilities set forth in Schedule "CE" as the same may be modified by the Purchaser no later than five (5) Business Days before the Approval and Vesting Order Hearing (provided that no additions shall be made without the consent of the Company and the Monitor) (collectively, the "**Excluded Liabilities**"), shall be excluded and will no longer be binding on the Company, Purchased Shares (or the holders thereof), Retained Assets, Employees, Permits and Licenses or Books and Records following the Closing Time and shall be transferred to, vested in and assumed by ResidualCo. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo. only and the Excluded Assets, if any, shall be available to satisfy such Claims.

4.3 Tax Matters

- (a) The Purchaser and the Company agree to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Shares and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund or other required filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters. The Purchaser and the Company also agree to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Company, the Purchased Shares, and the Assumed Liabilities as is reasonably necessary for Purchaser to acquire them in a tax efficient manner for both the Purchaser and the Company.
- (b) Purchaser and the Company shall each be responsible for the preparation of their own statements required to be filed under the *Income Tax Act* and other Tax forms and returns in accordance with Applicable Law.
- (c) For all purposes under this Agreement for which it is necessary to apportion Taxes in a period which includes (but does not end on) the Closing Date (a "**Straddle Period**"), all real property Taxes, personal property Taxes and similar ad valorem obligations shall be apportioned between the period up to and including the Closing Date (such portion of such Straddle Period, the "**Pre-Closing Straddle Tax Period**") and the taxable period after the Closing Date (such portion of such Straddle Period, the "**Post-Closing Straddle Tax Period**"), on a per diem basis. Except as otherwise provided herein, with respect to the Purchased Shares, the Company shall be liable for the proportionate amount of such real property Taxes, personal property Taxes and similar ad valorem obligations that are attributable to the Pre-Closing Straddle Tax Period, and the Purchaser shall be liable for the proportionate amount of such real property Taxes, personal property Taxes and similar ad valorem obligations that are attributable to the Post-Closing Straddle Tax Period. For all purposes under this Agreement, in the case of any Tax based upon or related to receipts, sales, use, payroll, or withholding, in respect of any Straddle Period, the portion of such Tax allocable to the Pre-Closing Straddle Tax Period shall be deemed to be the amount that

would be payable if the relevant Straddle Period ended on and included the Closing Date. To the extent such closing of the books method is not incorporated under the law of a jurisdiction for particular types of entities, allocations of income among the periods shall be made to replicate the closing of the books method to the maximum extent possible.

- (d) The Purchaser shall (a) cause the Company, as applicable, to prepare, or cause to be prepared, and file, or cause to be filed, all Tax Returns for the Company for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Company, as applicable, to duly and timely make or prepare all Tax Returns required to be made or prepared by them and to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. All such Tax Returns in clauses (a) and (b) of this Section 4.3(d) constitute the “**Straddle Period Tax Returns**”. The Company, the Monitor and the Purchaser shall co-operate reasonably with each other and make available to each other in a timely fashion such data and other information as may reasonably be required for the preparation of any Straddle Period Tax Return and the Purchaser shall preserve (or cause the Company to preserve) such data and other information until the expiration of any applicable limitation period under Applicable Law with respect to Taxes.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser are relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) **Incorporation and Status.** The Company is a corporation incorporated and existing under the *Business Corporations Act* (British Columbia) respectively, is in good standing under such acts and, subject to the granting of the Approval and Vesting Order, has the power and authority to enter into, deliver and perform their obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and, subject to obtaining of the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) **No Conflict.** The execution, delivery and performance by the Company of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company or, subject to the receipt of any Transaction Regulatory Approvals, any Applicable Law applicable to the Company, the Retained Assets or the Purchased Shares.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (e) **Proceedings.** There are no proceedings pending against the Company or, to the knowledge of the Company, threatened, which would reasonably be expected to enjoin, delay, restrict or prohibit the Company from fulfilling any of its obligations set forth in this Agreement,

and no event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.

- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order and the Transaction Regulatory Approvals, the Company does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the completion of the Transaction.
- ~~(f)~~(g) Capitalization. Following the Closing and upon issuance of the Purchased Shares to Purchaser at Closing, the Purchased Shares shall constitute all of the issued and outstanding share capital of the Company.

5.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time as follows, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. ~~Dapit NA LLC PEL Chartered Professional Accounts Inc. is a limited liability company corporation incorporated formed and existing under the laws of the state of Delaware of its jurisdiction of incorporation, is in good standing in under such state act and has the power and authority to enter into, deliver and perform its obligations under this Agreement. BBSG Hall Investments, LLC is a limited liability company formed and existing under the laws of the state of Georgia is in good standing in such state and has the power and authority to enter into, deliver and perform its obligations under this Agreement. Ripcord Capital LLC is a limited liability company formed and existing under the laws of the state of Delaware is in good standing in such state and has the power and authority to enter into, deliver and perform its obligations under this Agreement. SR Management LLC is a limited liability company formed and existing under the laws of the state of [Georgia] is in good standing in such state and has the power and authority to enter into, deliver and perform its obligations under this Agreement. CA Mordy Legacy Trust is a trust existing under the laws of its jurisdiction of formation, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement~~
- (b) Corporate Authorization. The execution, delivery and performance by Dapit NA LLC; BBSG Hall Investments, LLC; Ripcord Capital LLC; and SR Management LLC ~~PEL Chartered Professional Accounts Inc. and CA Mordy Legacy Trust~~ of this Agreement has been authorized by all necessary corporate action on the part of each of the respective entities. ~~PEL Chartered Professional Accounts Inc. and CA Mordy Legacy Trust.~~
- (c) No Conflict. The execution, delivery and performance by such Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of Dapit NA LLC; BBSG Hall Investments, LLC; Ripcord Capital LLC; and SR Management LLC ~~PEL Chartered Professional Accounts Inc. and CA Mordy Legacy Trust~~ or, to the knowledge of Dapit NA LLC; BBSG Hall Investments, LLC; Ripcord Capital LLC; and SR Management LLC ~~PEL Chartered Professional Accounts Inc. and CA Mordy Legacy Trust~~, any Applicable Law.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by such Purchaser and constitutes a legal, valid and binding obligation of such Purchaser,

enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

5.3 As is, Where is

The Purchaser acknowledge, agree and confirm that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever. For greater certainty, the Retained Assets shall be retained by the Company on an “as is, where is” basis.

THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 5: (A) THE PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE COMPANY, OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED ASSETS, THE ASSUMED LIABILITIES, THE ASSUMED CONTRACTS, THE EXCLUDED ASSETS, THE EXCLUDED CONTRACTS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRM DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

ARTICLE 6 ADDITIONAL AGREEMENTS OF THE PARTIES

6.1 Expense Reimbursement

In consideration for the Boxer Group's Purchaser's expenditure of time and money (including professional fees) in connection with the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, the Boxer Group Purchaser shall be entitled to an Expense Reimbursement of up to \$50,000 (the “**Expense Reimbursement**”). The Expense Reimbursement is subject to Court approval and shall be approved in the SISP Order and shall be payable to the Boxer Group Purchaser out of the sale proceeds derived from, and upon completion of, a Successful Bid other than the Stalking Horse Bid. Each of the Company and the Purchaser acknowledges and agrees that the Expense Reimbursement (i) represents a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of non-completion of this Agreement, and (ii) is not intended to be punitive in nature nor to discourage competitive

bidding with respect to the SISP. The Expense Reimbursement shall be paid by the Company to the the Boxer Group Purchaser without deduction or withholding for Taxes unless required by Applicable Law.

6.2 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.3 Motion for Approval and Vesting Order

As soon as practicable following the conclusion of the SISP, if the Purchaser is the Successful Bidder (as defined in the SISP), the Company shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order. The Company shall use its commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

6.4 Access to Information

- (a) Until the Closing Time, the Company, with oversight of the Monitor, shall give to the Purchaser's personnel engaged in the transactions contemplated by this Agreement and their accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books, records, and other information relating to the Business, and shall furnish them with all such information relating to the Business, the Company, the Assumed Liabilities and the list of employees as Purchaser may reasonably request in connection with the transactions contemplated by this Agreement, such requests to be made to the Monitor; provided that such access shall be conducted at Purchaser's expense, in accordance with Applicable Law and under supervision of the Monitor or the Company's senior management and in such a manner as to maintain confidentiality, and the Company will not be required to provide access to or copies of any such books and records if: (i) the provision thereof would cause applicable Company to be in contravention of any Applicable Law; (ii) breach the terms of the SISP Order; or (iii) making such information available would: (1) result in the loss of any lawyer-client or other legal privilege; or (2) cause applicable Company to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which the Company or any of its Affiliates are a party). Notwithstanding anything in this Section 6.3 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.
- (b) Following the Closing, the Purchaser shall make all books and records of the Company reasonably available to the Monitor and any trustee in bankruptcy of any of the Company upon at least five (5) Business Days prior notice, for a period of seven (7) years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Company to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that Purchaser shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Company and their Affiliates, as determined by the Company, acting reasonably.
- (c) Following the Closing, the Company shall make all books and records comprising Excluded Assets reasonably available to the Monitor and any trustee in bankruptcy of any of the Company upon at least five (5) Business Days prior notice, for a period of seven (7)

years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Company to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that the Company shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Company and its Affiliates, as determined by the Company, acting reasonably.

6.5 Covenants Relating to this Agreement

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, from the date hereof until the Closing Date, each Party shall and, where appropriate, shall cause each of its Affiliates to:
 - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and
 - (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.
- (b) From the date hereof until the Closing Date, Purchaser hereby agrees, and hereby agrees to cause its representatives to, keep the Company informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by each of the Company and the Monitor, as to the Purchaser's progress in terms of the satisfaction of the conditions precedent contained herein.
- (c) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause its representatives to, keep Purchaser informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by the Purchaser or the Monitor, as to the applicable Company's progress in terms of the satisfaction of the conditions precedent contained herein.
- (d) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the transactions contemplated by this Agreement, and to take such other actions to consummate or implement as soon as reasonably practicable, the transactions contemplated by this Agreement.
- (e) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause their representatives to, promptly notify the Purchaser of (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement, or

- (ii) any Material Adverse ~~Effect~~Change occurring from and after the date hereof prior to the Closing Date.
- (f) Each of the Company and the Purchaser agree to use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals, including without limitation the Transaction Regulatory Approvals, as may be required in connection with the transaction contemplated by this Agreement.
- (g) The Company agrees to use commercially reasonable efforts to promptly provide all documentation, copies of agreements and information reasonably required by the Purchaser to complete and finalize the Schedules to this Agreement. Such information and documentation shall be provided to the Purchaser on an ongoing basis following execution of this Agreement and in any event shall be provided to the Purchaser no later than ten (10) days prior to the hearing of the Applicants' motion to the CCAA Court seeking the Approval and Vesting Order.
- (h) If Purchaser is the Successful Bidder, at the request of the Purchaser, the Companies shall proceed with the liquidation, winding-up, dissolution and/or amalgamation of the Company designated by the Purchaser on or prior to the Closing Date.

6.6 Insurance Matters

During the Interim Period, the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of Business.

6.7 Regulatory Approvals and Consents

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.7.

6.8 Employee Matters

- (a) The Purchaser may, in as many separate instances as it may require, notify the Company that the Purchaser wishes to interview any employees or contractors or consultants of the Company, and upon receipt of a request thereof, the Company will use all commercially reasonable efforts to facilitate such interviews as soon as reasonably practicable. The Purchaser may, but is not obligated to, in the name of the Company, make conditional (upon Closing) continued or new (as applicable) offers of employment on such terms as it may determine in its absolute and sole discretion.

- (b) The Purchaser shall make commercially reasonable efforts to make such offers in writing on or prior to the date that is ten (10) days prior to the anticipated Closing Date, provided that such offers shall be made no later than six (6) days prior to the anticipated Closing Date, and leave such offers open for acceptance up to and including two (2) days prior to the Closing Date, provided that the Purchaser notifies the Company, in writing, on or prior to the date that is six (6) days prior to the anticipated Closing Date, of the list of individuals to whom it has made or intends to make offers of employment.
- (c) In the event:
 - (i) no conditional offer of employment is made to an employee of the Company; or
 - (ii) an employee who receives an offer of employment rejects such offer in writing or fails to accept such offer of employment up to and including two (2) days prior to the Closing Date,

such employee shall be deemed to be a “**Terminated Employee**” and the Company shall terminate such Terminated Employee effective upon the Closing Date and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, other than those which are Assumed Liabilities (collectively, the “**Employee Termination Costs**”), all of which Liabilities shall be Excluded Liabilities and shall be Discharged by the Approval and Vesting Order.

ARTICLE 7 INSOLVENCY PROVISIONS

7.1 Court Orders and Related Matters

- (a) From and after the date of this Agreement and until the Closing Date, the Company shall deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by any of the Applicants in connection with or related to this Agreement, including with respect to the Approval and Vesting Order, for Purchaser’s prior review at least three (3) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) days’ review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers shall be in form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.
- (b) Notice of the motions seeking the issuance of the Approval and Vesting Order shall be served or be caused to be served by the Company on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the CCAA Court, and any other Person determined necessary by the Company or Purchaser, acting reasonably.
- (c) As soon as practicable if the Purchaser is selected or deemed to be the Successful Bidder in accordance with the SISP, the Company shall file a motion seeking the issuance of the Approval and Vesting Order.
- (d) Notwithstanding any other provision herein, it is expressly acknowledged and agreed that in the event that the Approval and Vesting Order has not been issued and entered by the

CCAA Court by February 21, 2021 (subject to the availability of the Court) or such later date agreed to in writing by the Purchaser, acting reasonably, Purchaser, may terminate this Agreement.

- (e) If the Approval and Vesting Order relating to this Agreement is appealed or a motion for leave to appeal, rehearing, reargument or reconsideration is filed with respect thereto, the Company agrees (subject to the available liquidity of the Company) to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (f) The Company agrees, that the Approval and Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Shares shall be transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.

ARTICLE 8

CLOSING ARRANGEMENTS

8.1 Closing

Closing shall take place on the Closing Date, effective as of the Closing Time, electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format, in accordance with the Implementation Steps.

8.2 Implementation Steps

On the Closing Date, subject to the terms of the Approval and Vesting Order, Closing shall take place in accordance with the Implementation Steps. The Purchaser may, with the prior consent of the Company and the Monitor, acting reasonably, amend the Implementation Steps provided that such amendment does not materially alter or impact the Transaction or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transaction.

8.3 Company's Closing Deliveries

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Shares;
- (b) a copy of the Approval and Vesting Order and the SISP Order, each of which shall be final;
- (c) a certificate of an officer of the Company, dated as of the Closing Date, confirming that all of the representations and warranties contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Company has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (d) the Organizational Documents of the Company, and the corporate Books and Records; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

8.4 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, as applicable), the following:

- (a) the Closing Payment;
- (b) certificates of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by them prior to the Closing Time; and
- (c) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 9 CONDITIONS OF CLOSING

9.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

- (a) Final Orders. Each of the SISP Order and the Approval and Vesting Order shall have been issued and entered by the Court;
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise be in effect that restrains or prohibits the completion of the Transaction.
- (c) Successful Bid. This Agreement will be the Successful Bid (as determined pursuant to the SISP).
- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by the Purchaser and the Company, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser or the Company only if made in writing; provided that if the Purchaser or the Company do not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser or Company, as the case may be. If any condition set out in Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

9.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, on or prior to the Closing Date:

- (a) Implementation Steps. The Implementation Steps shall have been completed in the order and in the timeframes contemplated hereunder.

- (b) Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.3.
- (c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Vesting Order), each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (d) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by it on or before the Closing Date.
- (e) Employees. The Company shall have terminated the employment of the Terminated Employees
- (f) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied.
- (g) Material Adverse Change. After the date of this Agreement and before the Closing Time, there will not have occurred any Material Adverse Change.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 9.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company and the Monitor to terminate this Agreement.

9.3 Conditions Precedent in favour of the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 8.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 9.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser to terminate this Agreement.

9.4 Simultaneous Transactions

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Implementation Steps and the Approval and Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

ARTICLE 10 TERMINATION

10.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Company (with the consent of the Monitor) and the Purchaser; or
- (b) by the Purchaser or the Company if: (i) this Agreement is not the Successful Bid or the Back-up Bid (as determined pursuant to the SISP); or (ii) this Agreement is the Back-up Bid and the transaction contemplated by the Successful Bid is closed;
- (c) by the Company (with the consent of the Monitor) or either of the Purchaser, if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in ARTICLE 9 by the Outside Date, and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party; or
- (d) by the Company (with the consent of the Monitor) or the Purchaser upon written notice to the other Parties if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.
- (e) by the Purchaser, pursuant to Section 7.1(d);
- (f) by the Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of the Company or any of the property of the Company, other than with the prior written consent of the Purchaser;
- (g) by the Purchaser or the Company, upon the termination, dismissal or conversion of the CCAA Proceedings;
- (h) by the Purchaser or the Company and, upon dismissal of the motion for the Approval and Vesting Order (or if any such order is stayed, vacated or varied without the consent of the Purchaser); and
- (i) by the Purchaser or the Company, if a court of competent jurisdiction, including the CCAA Court or other Governmental Authority has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of Closing and such Order or action has become a final order.

The Party desiring to terminate this Agreement pursuant to this Section 10.1 (other than pursuant to Section 10.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder.

ARTICLE 11 GENERAL

11.1 Access to Books and Records

For a period of ~~six~~seven (67) years from the Closing Date or for such longer period as may be required to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser are not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and the Company (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Company) at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

11.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

~~DapiT NA LLC PEL Chartered Professional Accountants Inc. and
The CA Mordy Legacy Trust
750 Lexington Avenue, 23rd Floor
New York, NY 10022
4664 Lougheed Hwy. #201
Burnaby, BC V5C 5T5~~

Attention: ~~Andrew Clough~~Doug Mordy
Email: ~~ac@dapit.com~~Doug@appara.ai

And

~~Boxer Capital Corp.
Suite 1000-3707 West 7th Ave
Vancouver, BC V6R 1W7~~

Attention: ~~Jake Boxer~~
Email: ~~jake@boxercapital.com~~

with a copy to:

~~Hahn Loeser & Parks LLP Osler, Hoskin & Harcourt LLP
200 Public Square, Suite 2800 Suite 3000, Bentall Four
1055 Dunsmuir Street
Cleveland, Ohio 44114 Vancouver, BC V7X 1K8~~

Attention: ~~Christopher Wick~~Mary Buttery / Justin Kanji

Email: cwick@hahnlaw.com mbuttery@osler.com / jkanji@osler.com

and

Lawson Lundell LLP
925 West Georgia Street
Vancouver, BC V6CF 3L2

Attention: Peter J. Roberts
Email: proberts@lawsonlundell.com

in the case of the Company, as follows:

Felix Payment Systems Ltd.
1400-355 Burrard Street
Vancouver, BC V6B 2G8

Attention: Andrew Cole
Email: andrew.cole@payfelix.com

with a copy to:

McCarthy Tétrault LLP
745 Thurlow Street, Suite 2400
Vancouver, BC V6E 0C5

Attention: Lance Williams / Ashley Bowron
Email: lwilliams@mccarthy.ca / abowron@mccarthy.ca

(b) in each case, with a further copy to the Monitor as follows:

Alvarez & Marsal Canada Inc.
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2

Attention: Anthony Tillman / Taylor Poirier
Email: atillman@alvarezandmarsal.com / tpoirier@alvarezandmarsal.com

with a copy to:

Cassels Brock & Blackwell LLP
885 West Georgia St, Suite 2200
Vancouver, BC V6C 3E8

Attention: Vicki Tickle / Mihai Tomos
Email: vtickle@cassels.com / mtomos@cassels.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed

by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

11.3 Public Announcements

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advise the Company in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company, the Purchaser or any their respective Affiliates and assignees under Applicable Laws or stock exchange rules, the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

11.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

11.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

11.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

11.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Company and the Purchaser.

11.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

11.9 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 and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of British Columbia therefrom.

11.10 Assignment

- (a) Any Purchaser may assign its rights under this Agreement prior to Closing, in whole or in part, without the prior written consent of the Company, ResidualCo or the Monitor, provided that: (i) the Purchaser provides prior notice of such assignment to the Company and the Monitor; and (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchaser.

11.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

11.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

11.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

11.14 Monitor's Certificate

When the conditions to Closing set out in Section 9.1, 9.2 and Section 9.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Purchaser, at which time the Implementation Steps will be deemed to have commenced and be completed in the order set out in the Implementation Steps and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchaser). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

11.15 Amendment and Waiver

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement (including the Schedules hereto) shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

11.16 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceeding, the Company and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Company and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Purchasers:

STEVE HALL~~JAKE BOXER~~

By: _____
Name: Steve Hall~~Jake Boxer~~

SR HALL MANAGEMENT LLC~~DOUG MORDY~~

By: _____
Name: Doug Mordy
Title: Authorized Signatory
I have authority to bind the limited liability company

RIPCORD CAPITAL LLC

By: _____
:
Name: _____
Title: **Authorized Signatory**
I have authority to bind the limited liability company.

Dapit NA LLCCA~~MORDY LEGACY TRUST~~

By: _____
Name: _____
Title: **Authorized Signatory**
I have authority to bind the limited liability company Corporation.

BBSG HALL INVESTMENTS, LLC~~PEL CHARTERED PROFESSIONAL ACCOUNTANTS INC.~~

By: _____
Name: _____
Title: **Authorized Signatory**

I have authority to bind the limited liability
company Corporation.

For the Company:

FELIX PAYMENT SYSTEMS LTD.

By: _____

Name:

Title:

I have authority to bind the Corporation.

EXHIBIT "A"
IMPLEMENTATION STEPS

1. At least three (3) days prior to the Approval and Vesting Order Hearing Date, the Company shall incorporate and organize ResidualCo.
2. Effective as of the Closing Time, the following steps shall take place sequentially pursuant to the Approval and Vesting Order:
 - (a) ResidualCo shall be added to the CCAA Proceeding as an applicant;
 - (b) all Employees designated by the Purchaser as Terminated Employees will be terminated by the Company;
 - (c) the Excluded Contracts and Excluded Liabilities shall transfer to, and vest in, ResidualCo;
 - (d) to the extent required by Applicable Law, the Articles of Reorganization shall be filed or deposited with the applicable Governmental Authority or other Person;
 - (e) the Company shall issue the Purchased Shares to the Purchaser;
 - (f) the Company's Existing Shares shall be cancelled for no consideration pursuant to the Approval and Vesting Order;
 - (g) the Purchaser shall satisfy the Purchase Price in accordance with the terms of this Agreement;
 - (h) from the Closing Payment, the Monitor shall pay the CCAA Charge Amount, the Priority Payments and the Administrative Wind-down Amount in accordance with Section 3.2 of this Agreement;
 - (i) Closing shall be deemed to have occurred;
 - (j) any and all Liabilities arising from or relating to: (i) the transactions noted above; and (ii) the transfer of the, Excluded Assets, Excluded Contracts and Excluded Liabilities to ResidualCo; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Company shall have no obligations in connection with such Liabilities or Taxes; and
 - (k) the CCAA Proceedings shall be terminated.

The Parties agree that this Exhibit "A" remains subject to further revision no less than two (2) days prior to Closing.

SCHEDULE "A"
EXCLUDED ASSETS

1. The Excluded Contracts.

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a non-exhaustive list of the Excluded Contracts:

1. Any and all other contracts of the Purchased Entities other than the Assumed Contracts.

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

SCHEDULE "C"
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Purchased Entities may be bound as at the Closing Time.
2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any Court ordered charge granted therein, unless otherwise explicitly stated herein.
3. Any and all Liabilities incurred under any oral or written agreement between the Company and any third party for the supply of goods and/or services, including without limitation all trade claims, trade payables, utility bills, service fees (including legal fees) or other unsecured claims excluding the Assumed Trade Payables.
- ~~2.~~ 4. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.
- ~~3.~~ 5. Any and all funded indebtedness other than as related to the DIP Lender's Charge and First Lien Charge.
- ~~4.~~ 6. Any and all Liabilities associated with guarantees of the Company.
- ~~5.~~ 7. Any and all Employee Termination Costs.
- ~~6.~~ 8. Any and all Liabilities otherwise owed in connection with or pursuant to the Existing Shares.
- ~~7.~~ 9. All Liabilities of the Company relating to legal Claims brought against the Company and/or their Affiliates in respect of the period prior to the Closing Date.
- ~~8.~~ 10. Any and all Liabilities that are not Assumed Liabilities.

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

SCHEDULE "D"
PERMITTED ENCUMBRANCES

1. DIP Lender's Charge to be discharged on Closing.
2. First Lien Charge to be paid at Closing.

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

SCHEDULE "E"
ASSUMED LIABILITIES


1. All Liabilities related to the Permitted Encumbrances.

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

SCHEDULE "F"
ASSUMED CONTRACTS

The following is a comprehensive list of Assumed Contracts:

[Note: Schedule to be completed no later than five (5) Business Days before the Approval and Vesting Order Hearing.]

From: Andrew Clough ac@dapit.com 
Subject: Re: Dapit - follow up on funding question?
Date: 7 February 2025 at 15:01
To: Anthony Tillman atillman@alvarezandmarsal.com
Cc: Vicki Tickle vtickle@cassels.com, Taylor Poirier tpoirier@alvarezandmarsal.com, Taylor Poirier tpoirier@alvarezandmarsal.com, Christopher B. Wick cwick@hahnlaw.com

AC

Hi Anthony

I have forward this email to our US lawyer, Chris Wick, who will be following up w a response to you all today

Additionally, we very much would appreciate a meeting tomorrow morning to discuss any other concerns as well as clear up any other questions you all may have regarding our abilities to find this purchase

Safe travels

Andrew

Andrew Clough
 DapIT
 M: +47 902 777 66
 ac@dapit.com

Sent from iPhone

On 7 Feb 2025, at 16:54, Tillman, Anthony <atillman@alvarezandmarsal.com> wrote:

Andrew,
 I am just about on a plane in Montreal heading to Vancouver so will not be available this afternoon.
 If there is more information to share we ask that you share that today.
 How about 8am PT Saturday?

Anthony Tillman, CPA, CA
 Managing Director
 Alvarez & Marsal Canada
 Cathedral Place Building
 925 West Georgia Street, Suite 902
 Vancouver, BC V6C 3L2
 Direct: +1 604 639 0849
 Mobile: +1 604 218 9152
atillman@alvarezandmarsal.com
AlvarezandMarsal.com
 Alvarez & Marsal employs CPAs but is not a licensed CPA firm

On Feb 7, 2025, at 4:36 PM, Andrew Clough <ac@dapit.com> wrote:


 [EXTERNAL EMAIL]: Use Caution

Anthony

I would like to gauge your availability this afternoon to have a discussion with myself, my partner Steve as well as our US lawyer today regarding what we have been informed are present concerns/questions from A&M as to our ability to fund the Felix deal?

Please let me know your schedule

This is Exhibit "G" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 7th day of February, 2025.



A Commissioner for taking Affidavits
 within British Columbia.

thank you
Best Regards,
Andrew Clough
COO



750 Lexington Ave, Suite #2302 | New York, NY 10022 | USA

ac@dapit.com

+1 917-245-7150 (cell)

[Andrew Clough - LinkedIn](#)

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This is Exhibit "H" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27th day of February, 2025.



A Commissioner for taking Affidavits
within British Columbia.

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Friday, February 7, 2025 3:31 PM
To: Tillman, Anthony; Tickle, Vicki; Poirier, Taylor
Cc: Peter Roberts (3158) - 14Flr; William Clark (3218) - 14Flr; Andrew Clough; Steve Hall
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]
Attachments: Ruby Info.pdf

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

All-

I spoke to Steve Hall today as well as William ("Bill") Murphy of D&B Enterprises Ltd. I'm also inclosing additional information regarding the Ruby, as requested by the Monitor. In connection with his demonstration of the Dapit Group's ability to close, I need to clarify several statements I made earlier today. Steve Hall came into ownership of the gem in 2023, not 2024. His ownership of the gems was derived from the secured basis of the underlying notes and subsequent defaults. In fact, there is more than just the Ruby Mr. Hall is showing to the Monitor as a part of this demonstration to close. In the attached information, there is a copy of the settlement agreement where the background is contained in the recital paragraphs. In addition, we are providing copies of both the 2023 and 2020 SKRs for the gem, along with a copy of the contract between Mr. Hall and the Global Trust Depository for Safekeeping Services as further demonstration of his ownership of the gem. This safekeeping contract costs Mr. Hall \$6,400/year and it renews annually.

To answer Ms. Tillman's question regarding how you perfect a security interest in a gem, the answer is possession and/or a UCC-1 financing statement. Since Mr. Hall keeps his gem at the Global Trust Depository, the GTD would need the equivalent of a deposit account control agreement ("DACA"). Mr. Hall states that there are no liens or other rights to the gem and if you wanted to call the GTD, it would tell you the same. GTD can be reached at 949.476.3662. Finally, the document from D&B Enterprises is in fact a loan commitment from D&B Enterprises (Bill Murphy) made to Mr. Hall (not the prior owners). D&B used the prior owner's valuation certificate. I note that the price of this gem is \$14,000.00 per carat. Today's value for this stone is \$17,000 per carat, so the actual value of the gem has increased to \$232,900,000 (13,700 carats multiplied by \$17,000 per carat).

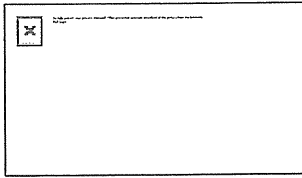
In addition, I'm told that the Dapit Group will have a bank letter on Monday confirming the availability of \$8 million CAD on behalf of SR Management to fund this acquisition.

I'm told that the Monitor would make itself available tomorrow morning (8 a.m. PT/11 a.m. ET) in case it has any other issues or topics to discuss regarding verification of the Dapit Group's ability to close on this transaction.

Finally, I believe it is important to note that on our call earlier today, the Monitor made reference to the Dapit Group's inability to close prior transactions. As I have come to learn, that statement is not entirely accurate. More specifically, the Dapit Group decided not to fund a prior transaction to purchase the Boxer Group's debt position because the Boxer Group wanted its equity position included as part of the transaction. Since the Boxer Group was moving the goalpost, the Dapit Group decided due to the material change in the terms of the transaction to not close. I never had anything to do with an inability to fund the transaction. Moving forward, I respectfully request that the Monitor and the Dapit Group focus on satisfying any question regarding the Dapit Group's ability to fully fund this transaction, which I believe it already has demonstrated by the ownership, value, and commitment to lend regarding the ruby.

We look forward to talking tomorrow morning. Please circulate and/or forward any invite or call-in number.
Sincerely,

Chris Wick



Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

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From: Tillman, Anthony <atillman@alvarezandmarsal.com>
Sent: Friday, February 7, 2025 9:24 AM
To: Christopher Wick <cwick@hahnlaw.com>; Tickle, Vicki <vtickle@cassels.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

Peter is at the same conference as Vicki and I. Hopefully he can pull him self away from the panels for a few minutes.

I will send a dial-in.

Thank you,

Anthony

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Friday, February 07, 2025 6:20 AM
To: Tillman, Anthony <atillman@alvarezandmarsal.com>; Tickle, Vicki <vtickle@cassels.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

 **[EXTERNAL EMAIL]: Use Caution**

Anthony-

I'm available at 10 ET. I have another call on a different matter at 1:00 ET. I believe Peter out of the office and attending a conference. I don't know his availability. I've copied Will Clark to see if Will has any visibility as to Peter's availability or if Will would be able to attend a call.

Sincerely,

Chris

Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

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From: Tillman, Anthony <atillman@alvarezandmarsal.com>
Sent: Friday, February 7, 2025 9:17 AM
To: Christopher Wick <cwick@hahnlaw.com>; Tickle, Vicki <vtickle@cassels.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Peter Roberts <proberts@lawsonlundell.com>
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

Chris,
 Would you and Peter be available to discuss certain points in the LOI at 10am or 1pm ET?
 Thank you,
 Anthony

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Wednesday, February 05, 2025 4:03 PM
To: Tickle, Vicki <vtickle@cassels.com>; Felix Payment Systems <felixpayment@alvarezandmarsal.com>; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Lance Williams - McCarthy Tétrault LLP (<twilliams@mccarthy.ca> <llwilliams@mccarthy.ca>); Bowron, Ashley <abowron@mccarthy.ca>; Mary Buttery, KC (<mbuttery@osler.com> <mbuttery@osler.com>); Newbery, Emma <enewbery@osler.com>
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

 **[EXTERNAL EMAIL]: Use Caution**

All-

On behalf of the Dapit Group, attached please find the following documents:

- Correspondence dated February 5, 2025 regarding the Dapit Group's responses revising its LOI to cure deficiencies identified in Ms. Tickle's February 2, 2025 correspondence;
- Documents relating to Mr. Hall's ownership and the valuation of 2.74 kilogram ruby in the amount of \$115,080,000 USD to be used as written evidence of the Dapit Group's ability to fully fund and consummate the transactions contemplated by the Dapit Group's bid; and
- The Dapit Group's redline of the stalking horse bid (a previous copy of which was circulated at 2:37 p.m. ET today).

The Dapit Group believes it has cured any deficiencies previously identified by the Monitor and its counsel and its LOI should constitute a Qualified Bid under the SISP Approval Order and the Process Letter. Once you have had an opportunity to review the same, please confirm the same and let us know the process for the February 11, 2025 auction.

Sincerely,
Chris Wick

Christopher Wick | Partner
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cwick@hahnlaw.com | hahnlaw.com
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From: Christopher Wick <cwick@hahnlaw.com>
Sent: Wednesday, February 5, 2025 2:37 PM
To: Tickle, Vicki <vtickle@cassels.com>; felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Lance Williams - McCarthy Tétrault LLP (<twilliams@mccarthy.ca> <williams@mccarthy.ca>); Bowron, Ashley <abowron@mccarthy.ca>; Mary Buttery, KC (<mbuttery@osler.com> <mbuttery@osler.com>); Newbery, Emma <enewbery@osler.com>
Subject: RE: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

Ms. Tickle and Alvarez and Marsal,
 Attached hereto, in connection with the Dapit Group's revised bid, please find a copy the Dapit Group's redline of the Stalking Horse Bid. The remainder of the deficiencies will be addressed in a correspondence circulated later today.

Sincerely,
Chris Wick

Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

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From: Tickle, Vicki <vtickle@cassels.com>
Sent: Sunday, February 2, 2025 11:14 PM
To: Christopher Wick <cwick@hahnlaw.com>; felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Lance Williams - McCarthy Tétrault LLP (lwilliams@mccarthy.ca) <lwilliams@mccarthy.ca>; Bowron, Ashley <abowron@mccarthy.ca>; Mary Buttery, KC (mbuttery@osler.com) <mbuttery@osler.com>; Newbery, Emma <enewbery@osler.com>
Subject: [EXTERNAL] RE: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd. [IWOV-LEGAL.FID6613599]

This email originated from outside of the organization. Do not click links, open attachments or reply, unless you recognize the sender's email address and know the content is safe.

Chris,

Please see the attached correspondence.

Regards,

Cassels

Vicki Tickle she/her/hers
 Partner
 t: +1 778 309 7954
 e: vtickle@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
 Suite 2200, RBC Place, 885 West Georgia St.
 Vancouver, British Columbia V6C 3E8 Canada

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Friday, January 31, 2025 4:08 PM
To: felixpayment@alvarezandmarsal.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>
Cc: Tickle, Vicki <vtickle@cassels.com>; Tomos, Mihai <mtomos@cassels.com>; Peter Roberts <proberts@lawsonlundell.com>; William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>
Subject: Letter of Intent to Acquire the Assets of Felix Payment Systems Ltd.

CAUTION: External Email

To Whom It May Concern:

On behalf of the Dapit Group, attached please find an executed Letter of Intent to acquire the assets of Felix Payment Systems Ltd. pursuant to the terms of the December 9, 2024 *Order Made After Application (Stalking Horse and SISP Approval)*. Please feel free to reach out with any questions you may have.

Sincerely,
 Chris Wick



Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
200 Public Square, Suite 2800 | Cleveland, OH 44114

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This message, including any attachments, is privileged and may contain confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. Communication by email is not a secure medium and, as part of the transmission process, this message may be copied to servers operated by third parties while in transit. Unless you advise us to the contrary, by accepting communications that may contain your personal information from us via email, you are deemed to provide your consent to our transmission of the contents of this message in this manner. If you are not the intended recipient or have received this message in error, please notify us immediately by reply email and permanently delete the original transmission from us, including any attachments, without making a copy.

From: Tillman, Anthony <atillman@alvarezandmarsal.com>
Sent: Saturday, February 8, 2025 10:01 AM
To: Christopher Wick; Poirier, Taylor; Vicki Tickle
Cc: William Clark (3218) - 14Flr; Peter Roberts (3158) - 14Flr; Philip K. Stovall
Subject: RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

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 - a. "ABF Confirmation..."
 - b. Dec 2024 Financials
 - c. "RFP_Asset_Backed"
2. Email with Dec 2024 Financials
3. Email with "ABF_Confirmation_"

Anthony

This is Exhibit "I" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 21 day of February, 2025.



A Commissioner for taking Affidavits
within British Columbia.

From: Christopher Wick <cwick@hahnlaw.com>
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Subject: Felix Payment Systems - Information Regarding Dapit's Ability to Close

 **[EXTERNAL EMAIL]: Use Caution**

Anthony, Taylor, and Vicki-

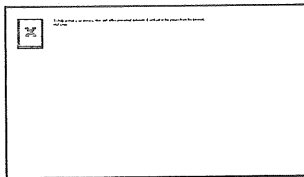
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Hello Chris,

The Monitor has determined that the Dapit Group has not submitted a Qualified Bid and is not a Qualified Bidder for purposes of Felix's SISP.

Anthony Tillman, CPA, CA, LIT
 Senior Vice-President
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 Licensed Insolvency Trustees
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 Direct: +1 604 639 0849
 Mobile: +1 604 218 9152
atillman@alvarezandmarsal.com
AlvarezandMarsal.com
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This is Exhibit "J" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.


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Thanks Anthony. The only other thing in the shared filed was the EBITA calculation, but I gave you those results in my email.

Has the Monitor made a decision regarding whether the Dapit Group is a Qualified Bidder?

Sincerely,
 Chris Wick



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Subject: RE: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

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Chris,

The Monitor has concerns regarding, among other things, the capability of the proposed third party financier to provide the funds needed and the actual realizable value of the ruby that was to be offered as collateral. Dapit was made aware of the requirements for a qualified bid on December 13 (if not before). Despite this, an extension of the Bid Deadline to allow Dapit more time to meet the requirements of the SISP, and the Monitor advising of its concerns on a number of occasions, Dapit has not provided evidence of its ability to close a transaction that satisfied the Monitor.

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Subject: RE: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

⚠ [EXTERNAL EMAIL]: Use Caution

Anthony-
 Please provide the Monitor's reason for its decision.
 Sincerely,
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From: Tickle, Vicki <vtickle@cassels.com>
Sent: Tuesday, February 11, 2025 3:30 PM
To: Peter Roberts (3158) - 14Flr; 'Tillman, Anthony'
Cc: William Clark (3218) - 14Flr; Philip K. Stovall; Christopher Wick; Poirier, Taylor
Subject: RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close [IWOV-LEGAL.FID6613599]

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Hello Peter,

On behalf of the Monitor, we note that the Bid Deadline (originally January 31 and extended to February 5, 2025) has passed. The SISP does not contemplate additional information being provided by a potential bidder after the Bid Deadline has passed. Paragraph 14 of the SISP authorizes the Monitor, in consultation with the Petitioner, to request additional information with respect to any bid prior to the Bid Deadline for the purposes of amending or clarifying the terms and form thereof.

The Monitor has made its decision based on the information received. It is a matter for the Dapit Group if it wishes to put forth an offer outside the scope of the SISP.

Regards,
 Vicki

Cassels

Vicki Tickle *she/her/hers*
 Partner
 t: +1 778 309 7954
 e: vtickle@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
 Suite 2200, RBC Place, 885 West Georgia St.
 Vancouver, British Columbia V6C 3E8 Canada

This is Exhibit "L" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27 day of February, 2025.



A Commissioner for taking Affidavits
 within British Columbia.

From: Peter Roberts <proberts@lawsonlundell.com>
Sent: Tuesday, February 11, 2025 11:27 AM
To: 'Tillman, Anthony' <atillman@alvarezandmarsal.com>
Cc: William Clark <wclark@lawsonlundell.com>; Philip K. Stovall <PStovall@hahnlaw.com>; Christopher Wick <cwick@hahnlaw.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>; Tickle, Vicki <vtickle@cassels.com>
Subject: RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

CAUTION: External Email

Hello Anthony,

While suggesting a number of "concerns", your email to Mr. Wick below raises only the "ability to close a transaction" as the reason for the Monitor's decision not to qualify Dapit's bid. Can you advise whether there are other "concerns" which the Monitor considers, either independently or collectively, to support the decision not to qualify Dapit's bid? Dapit intends to provide further evidence to address the "ability to close a transaction" concern. If the Monitor has other material concerns with Dapit's bid, Dapit needs to know so those too may be addressed.

Given that there are apparently no other bids beyond the SHB, Dapit will seek to have the Monitor exercise its discretion to qualify Dapit as a bidder as it is expected Dapit's bid will provide the greatest return to the company. In any event, at the approval and vesting motion (when ever scheduled), Dapit anticipates putting forth its bid and seeking court approval of that bid over the SHB.

Regards,

Peter J. Roberts, K.C. (he/him) | Partner
Lawson Lundell LLP
D 604.631.9158 | F 604.641.4400

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Subject: RE: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

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Subject: RE: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

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Anthony Tillman, CPA, CA, LIT
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atillman@alvarezandmarsal.com
AlvarezandMarsal.com
Alvarez & Marsal employs CPAs but is not a licensed CPA firm

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Saturday, February 08, 2025 2:03 PM
To: Tillman, Anthony <atillman@alvarezandmarsal.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>; Vicki Tickle <vtickle@cassels.com>
Cc: William Clark <wclark@lawsonlundell.com>; proberts@lawsonlundell.com; Philip K. Stovall

<PStovall@hahnlaw.com>

Subject: RE: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

⚠ [EXTERNAL EMAIL]: Use Caution

Thanks Anthony. The only other thing in the shared filed was the EBITA calculation, but I gave you those results in my email.

Has the Monitor made a decision regarding whether the Dapit Group is a Qualified Bidder?

Sincerely,
Chris Wick

Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
cwick@hahnlaw.com | hahnlaw.com
 200 Public Square, Suite 2800 | Cleveland, OH 44114

Hahn Loeser & Parks LLP is a full-service law firm with a national footprint and international reach, with offices in Cleveland, Columbus, Naples, Fort Myers, San Diego, and Chicago.

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From: Tillman, Anthony <atillman@alvarezandmarsal.com>
Sent: Saturday, February 8, 2025 1:01 PM
To: Christopher Wick <cwick@hahnlaw.com>; Poirier, Taylor <tpoirier@alvarezandmarsal.com>; Vicki Tickle <vtickle@cassels.com>
Cc: William Clark <wclark@lawsonlundell.com>; proberts@lawsonlundell.com; Philip K. Stovall <PStovall@hahnlaw.com>
Subject: [EXTERNAL] RE: Felix Payment Systems - Information Regarding Dapit's Ability to Close

This email originated from outside of the organization. Do not click links, open attachments or reply, unless you recognize the sender's email address and know the content is safe.

Chris,

We received in three separate emails:

1. Link to folder with 3 files:
 - a. "ABF Confirmation..."
 - b. Dec 2024 Financials
 - c. "RFP_Asset_Backed"
2. Email with Dec 2024 Financials
3. Email with "ABF_Confirmation_"

Anthony

From: Christopher Wick <cwick@hahnlaw.com>
Sent: Saturday, February 08, 2025 9:34 AM
To: Poirier, Taylor <tpoirier@alvarezandmarsal.com>; Tillman, Anthony <atillman@alvarezandmarsal.com>; Vicki

Tickle <vtickle@cassels.com>

Cc: William Clark <wclark@lawsonlundell.com>; proberts@lawsonlundell.com; Philip K. Stovall <PStovall@hahnlaw.com>

Subject: Felix Payment Systems - Information Regarding Dapit's Ability to Close

⚠ [EXTERNAL EMAIL]: Use Caution

Anthony, Taylor, and Vicki-

Before I continue to spam your email inboxes with repetitive information, can you please confirm receipt of the Landmark 24 Homes 2024 Year End Financials? I was using the same email thread to send you the information and received several bounce back notifications due to the size of the files. Unfortunately, since I was using the same thread, all the bounce back emails had the same subject line. Thus, I don't know what made it through and want didn't keep sending the same information if you already have it.

In separate emails I have also attempted to send you a one-page PDF of a loan commitment dated January 17, 2025 to Dapit/Steve Hall from D&B Enterprises. I believe you all received that document. The final document I attempted to send was additional information regarding the gems, including the two gems collectively valued at \$225 million, verification of Mr. Hall's ownership, and a communication from D&B Enterprises to Danial Ponce Loya of Aguirre Marin Abogados in Mexico City, Mexico regarding Mr. Hall's request for financing based on the value of the gems. It is my understanding that the Monitor wanted to see a loan commitment as a part of the packing surrounding the gems as financial wherewithal to close an \$8 million CAD transaction. In short, we have provided information that demonstrate Mr. Hall's ability to borrow \$33,750,000.00 to close no later than February 21, 2025.

I also send you individual access to shared folder on my one drive with copies of the information. Since providing access, I have added a few additional items of information to this shared folder, including EBITDA calculations for Landmark 24 Homes for 2023 and 2024. The annual net income of the company was \$11,913,444.00 in 2023 and \$14,378,073.00 in 2024.

If you are having problems accessing the information or there is any additional information you would need, please let me know by calling my cell phone. 216.990.0921.

Sincerely,
Chris Wick

Christopher Wick | Partner
Hahn Loeser & Parks LLP | More than a Century of Client Service
 Tel: (216) 274-2489 | Cell: (216) 990-0921 | Fax: (216) 274-2488
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750 Lexington Ave

23rd Floor

New York, NY 10022

This is Exhibit "M" referred to in the affidavit of Andrew Clough sworn before me at Vancouver, British Columbia, this 27th day of February, 2025.

A handwritten signature in black ink, appearing to be 'J. M.', written over a horizontal line.

A Commissioner for taking Affidavits
within British Columbia.

February 25, 2025

Dear Shareholders and Advisory Board Members,

I am pleased to share our strategic plan for the second quarter of 2025 through the end of the year.

To begin, I would like to welcome two new additions to our Advisory Board.

Steve Cannon

Stephen Cannon, among *Atlanta Business Chronicles* 2019 Most Admired CEOs, serves as the Vice Chairman of AMB Sports and Entertainment (AMBSE), assuming the day-to-day leadership of Mercedes-Benz Stadium (MBS), Atlanta Falcons Football Club, United Soccer Properties, and PGA TOUR Superstore. AMBSE serves as a for-profit holding group under the Arthur M. Blank Family of Businesses. Prior to joining AMBSE in 2016, Cannon served as president and chief executive officer of Mercedes-Benz USA (MBUSA) and was responsible for leading operations that generated record sales with annual revenues exceeding \$20 billion.

O.B. Rawls

O.B. is an accomplished senior-level executive with monumental success in fintech, payments, and banking. As CEO of Global Payment Processing for Paysafe, O.B. is responsible for building a world-class team of sales and support leaders to gain market share, deliver incremental value and exceed annual revenue objectives. Leading a wide-spread global team, O.B. is responsible for a cross-section of sales and specialized teams, including integrated payments, indirect and direct sales, and product commercialization.

Prior to his current role, O.B. served as CEO and President of iPayment, a firm he successfully helped de-leverage and position for subsequent sale to Paysafe in June 2018. His career of more than 30 years also includes senior-level executive roles with First Data, now Fiserv, Hypercom, and Bank of America.

Starting Q2 2025:

Dapit will release their self-checkout app and SoftPos when marketing to the 1.3 million merchants who have been deployed worldwide on our backend platform. Furthermore, we will incentivize the 250-plus ISOs and 5000 Sales representatives that have current or past relationships with the founder of Dapit.

A confidential joint venture is being formed with Dapit to develop an advanced consumer lending and payment platform for global deployment across various locations. Dapit's involvement will be crucial in this initiative.

The venture aims to create a Payment Facilitator (PayFac) system that surpasses current industry leaders. This comprehensive platform will encompass and form a "Business in a Box" including:


- Credit card issuance
- Device leasing
- Installment payment plans
- Consumer financing for business customers
- AI-powered accounting solutions
- AI-powered Financial Advisor
- Self-shopping experience with or without CCTV
- Fully integrated Inventory and Point of Sale system
- SoftPOS & Tap2Pay technology

A large sales force will be empowered to market this platform. Following a 12-month refinement period, the system will be offered to carriers across Europe and the United States.

In West and South Africa, as well as Latin America, the venture already has a foundation of 620,000 businesses under existing PSSP contracts. For these markets, a unique device-locking feature at the chip level will be implemented to encourage timely payments for devices purchased on installment plans.

The outlook for this venture is optimistic, with expectations of significant profitability within the next year.

Sincerely,

Signed by:

60262CACB7D04B0...

Frank A Cristaudo

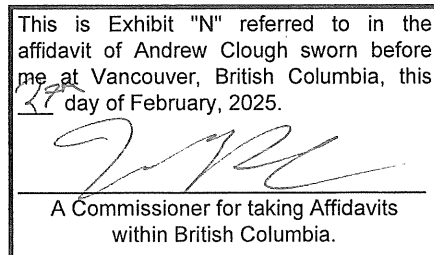
CEO, Dapit

2/27/2025

LETTER OF INTENT FOR INVESTMENT

February 25, 2025

Board of Directors
Dapit NA, LLC
750 Lexington Ave,
New York, NY 10022



Dear Frank A Cristaudo,

This Letter of Intent ("LOI") is issued by [REDACTED], LLC ("Investor") regarding a proposed investment into Dapit NA, LLC (the "Company"). The purpose of this LOI is to outline the general terms and conditions under which the Investor intends to invest in the Company, subject to further negotiation and execution of a definitive investment agreement.

1. Investment Amount

The Investor intends to invest up to USD 10,000,000 in the Company, subject to a formal investment agreement's final terms and conditions.

2. Type of Investment

The proposed investment will be in the form of Series A preferred equity. Specific terms of the equity class will be determined during the negotiation of the definitive agreement.

3. Conditions Precedent

The proposed investment is contingent upon the following conditions:

- Completion of the acquisition of Felix Payment Systems, LTD
- Finalization and execution of the definitive investment agreement.
- No significant adverse change in the Company's business, finances, or operations.
- Approval of the investment by the Investor's internal governance.
- Completion of satisfactory due diligence by the Investor.

4. Valuation and Equity Stake

Based on the preliminary discussions, the Company is valued at USD 90,000,000, and with the addition of Felix Payment Systems, post-money valuations will be USD 100,000,000. In exchange for the proposed investment, the Investor anticipates receiving a 10% equity stake in the Company.

5. Closing

The investment is expected to close by March 31, 2025, subject to the completion of due diligence and other necessary approvals.

6. Exclusivity

For a period of 60 days from the date of this LOI, the Company agrees not to negotiate or enter

discussions with other potential investors regarding the proposed investment.

7. Confidentiality


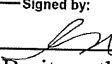
Both parties agree to maintain the confidentiality of this LOI and its contents and will not disclose the terms or existence of this LOI to any third party without prior written consent, except as required by law.

8. Non-Binding Nature

This Letter of Intent is nonbinding and serves only as a basis for further negotiations. Neither party is obligated to proceed with the investment unless and until a definitive investment agreement is executed. However, the exclusivity and confidentiality provisions are binding.

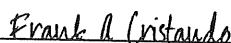
We are excited about the opportunity to work with Dapit and look forward to progressing toward a mutually beneficial agreement.

Investor:

 LLC
Signed by:

By its authorized signatory

Stephen C.
2/27/2025

Company:

Dapit NA, LLC
Signed by:

By its authorized signatory

Frank A Cristuado
2/27/2025