

## **GENERAL SECURITY AGREEMENT**

**THIS GENERAL SECURITY AGREEMENT** (as amended, modified, supplemented, restated or replaced from time to time, this "**Agreement**"), dated as of March 15, 2024, is made by Xemoto Media Ltd., a corporation existing under the laws of the Province of Ontario (the "**Borrower**"), to and in favour of KW Capital Partners Limited, a corporation existing under the laws of the Province of Ontario (the "**Lender**").

### **WITNESSETH:**

**WHEREAS** pursuant to the secured debentures dated on or about March 15, 2024, (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, the "**Debenture**"), issued by the Borrower to the Lender, the Lender has agreed to extend credit on the terms and subject to the conditions set forth therein;

**AND WHEREAS** the Borrower has agreed to grant a security interest and assignment, mortgage and charge in the Collateral (as defined below) to the Lender in order to secure the performance of the Obligations (as defined below) under the Debenture;

**AND WHEREAS** the security interest granted herein ranks in first position over all security interests previously granted by the Borrower pursuant to the terms of each of: (i) the subordination agreement dated March 15, 2024, by and between Universal PropTech Inc., the Borrower and the Lender, and (ii) the subordination agreement dated March 8, 2024, by and between the Business Development Bank of Canada, the Borrower and the Lender;

**AND WHEREAS** the Borrower may not issue any securities that rank senior or *pari passu* to the Debentures;

**AND WHEREAS** the Borrower has duly authorized the execution, delivery and performance of this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

## **ARTICLE 1- INTERPRETATION**

### **1.01        Interpretation**

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Debenture. In this Agreement, unless something in the subject matter or context is inconsistent therewith,

"**Agreement**" has the meaning ascribed thereto in the recitals;

"**Borrower**" has the meaning ascribed thereto in the recitals;

**"Collateral"** has the meaning set out in Section 2.01;

**"Contractual Rights"** has the meaning set out in Section 2.01;

**"Debenture"** has the meaning ascribed thereto in the recitals;

**"Equipment"** has the meaning set out in Section 2.01;

**"Event of Default"** means an Event of Default under the Debenture or as set out herein in Article 4;

**"Expenses"** means all costs, fees and expenses (including legal fees and disbursements) incurred by or on behalf of the Lender in connection with or arising out of or from any one or more of the following:

- (i) any act done or taken by a Lender or a Receiver, or any proceeding instituted by a Lender, the Borrower or any other person, firm or corporation, in connection with or in any way relating to any one or more of the *Personal Property Security* (Ontario) (the "**Act**"), this Agreement or any part hereof, the preservation, protection, enforcement or realization of the Collateral or the Security Interest or both, the recovery of the Obligations and responding to enquiries regarding the scope of the Security Interest perfected by the registration of a Financing Statement under the Act;
- (ii) the remuneration of the Receiver and its agents, if any; and
- (iii) all amounts incurred or paid by or on behalf of the Lender pursuant to Section 5.01 hereof;

**"Inventory"** has the meaning set out in Section 2.01;

**"Lender"** has the meaning ascribed thereto in the recitals;

**"Obligations"** means each of the obligations of the Borrower under the Debenture including, without limitation, timely payment of the Principal Sum (as defined in the Debenture) and any interest payable thereon;

**"Permitted Encumbrances"** means any of the following:

- (i) any encumbrances or security now or at any time hereafter given by the Borrower in favour of the Lender;
- (ii) all reservations in the original grant from the Crown of any lands or interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (iii) liens for taxes, assessments or governmental charges not due or delinquent or the validity of which the Borrower shall be contesting in good faith and in respect of which such contest will involve no risk of forfeiture of any material property, asset or undertaking;
- (iv) the lien of any judgment rendered, or claim filed, against the Borrower or

- any of its Subsidiaries which the Borrower shall be contesting in good faith and in respect of which such contest will involve no risk of forfeiture of any material property, asset, or undertaking;
- (v) undetermined or inchoate liens arising in the ordinary course of and incidental to current operations which have not been filed pursuant to applicable laws against the Borrower or any of its properties or in respect of which no steps or proceedings to enforce the lien have been initiated or which relate to obligations not due or delinquent;
  - (vi) easements, rights of way, servitudes or other similar rights in and granted to or reserved or taken by other persons which either alone or in the aggregate do not detract from the value of such land or materially impair its use in the operation of the Borrower's business;
  - (vii) security given by the Borrower to a public utility authority or a governmental authority when required by such public utility authority or governmental authority in the ordinary course of business of the Borrower in connection with the Borrower's operations, provided such security does not either alone or in the aggregate materially detract from the value of the property or assets affected thereby or materially impair its use in the conduct of the Borrower's business;
  - (viii) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by the Borrower or by any statutory provision to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
  - (ix) any encumbrance or security granted in respect of a purchase-money security interest (as such term is defined in the *Personal Property Security Act* (Ontario)) with respect to equipment or inventory required by the Borrower to carry-on its businesses in the ordinary course;

"**Person**" includes any individual, legal or personal representative, partnership, corporation, limited liability company, incorporated syndicate, unincorporated or incorporated association, trust or governmental body, howsoever designated or constituted;

"**Receiver**" has the meaning set out in Section 5.01; and

"**Securities**" has the meaning set out in Section 2.01.

The terms "accessions", "accounts", "chattel paper", "documents of title", "goods", "instruments", "intangibles", "inventory", "investment property", "money", "proceeds", "securities" and "uncertificated security" whenever used herein have the meanings given to those terms in the *Personal Property Security Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

## **1.02            Sections and Headings**

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

of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

### **1.03            Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

## **ARTICLE 2- GRANT OF SECURITY INTEREST**

### **2.01            Security Interest**

As general and continuing security for the payment and performance of all Obligations, the Borrower hereby grants to the Lender, for the benefit of the Lender, a security interest in the present and after-acquired undertaking and property, both real and personal, of the Borrower (collectively, the "**Collateral**"), and as further general and continuing security for the payment and performance of such Obligations, the Borrower hereby assigns the Collateral to the Lender, for the benefit of the Lender, and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Lender, for the benefit of the Lender. Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Borrower now has or may hereafter have or acquire in any manner whatsoever (including by way of amalgamation) in all property of the following kinds:

- (a) all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Borrower;
- (b) all inventory of whatever kind and wherever situated, including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Borrower (collectively, the "**Inventory**");
- (c) all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "**Equipment**");
- (d) all chattel paper;
- (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) all shares, bonds, debentures, uncertificated securities, and other securities (collectively, the "**Securities**");

- (g) all rights, contracts, (including, without limitation, rights and interests arising thereunder or subject thereto), instruments, agreements, licences, permits, consents, leases, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans and specifications all of which may or may not be personal property but may be rights in which the Borrower has interests, all as may be amended, modified, supplemented, replaced or restated from time to time ("**Contractual Rights**");
- (h) all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights, source codes and other intellectual property;
- (i) all investment property;
- (j) all bills, notes, cheques and other instruments and all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (k) all books, invoices, documents, and other records in any form evidencing or relating to the Collateral;
- (l) all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and
- (m) all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Borrower, but should the Lender enforce the said assignment or mortgage and charge, the Borrower will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Lender liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Borrower is a party or by which it is bound.

## **2.02      Attachment of Security Interest**

The security interest created hereby shall operate as a fixed and specific charge of all of the Collateral presently existing and, with respect to all future Collateral, shall operate as a fixed and specific charge of such future Collateral which shall attach at the moment the Borrower acquires any rights therein. The Borrower hereby acknowledges that value has been given concurrently with the execution of this Agreement and the Lender and the Borrower hereby agree that the security interest herein granted shall attach upon the execution of this Agreement by the Borrower, provided that the security interest as it relates to Collateral hereafter acquired by the Borrower shall attach when the Borrower has rights in the Collateral in question. The Borrower and Lender agree that the attachment of the security interest created hereby is not intended to be postponed at any future time.

### **2.03            Exception for Contractual Rights**

The security interest granted hereby does not and will not extend to, and Collateral will not include, any Contractual Rights to which the Borrower is a party or of which the Borrower has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Borrower must hold its interest therein in trust for the Lender and will assign such Contractual Rights to the Lender forthwith upon obtaining the consent of the other party thereto. The Borrower agrees that it will, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the security interest granted hereby.

## **ARTICLE 3- DEALING WITH COLLATERAL**

### **3.01            Dealing with Collateral by the Borrower**

The Borrower must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Lender, except that the Borrower may, until an Event of Default occurs, deal with its money or sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby, but all proceeds of any such sale will continue to be subject to the security interest, assignment and mortgage and charge granted hereby and all money received by the Borrower will be received as trustee for the Lender and must be held separate and apart from other money of the Borrower and must be paid over to the Lender upon request.

### **3.02            Rights and Duties of the Lender**

- (a) The Lender may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.
- (b) In the holding of the Collateral, the Lender and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Lender and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Borrower reasonably requests in writing, but failure of the Lender or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

### **3.03            Registration of Securities**

The Lender may have any Securities registered in its name or in the name of its nominee and will be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Borrower will be entitled to exercise, in a manner not prejudicial to the interests of the Lender or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Lender will not be responsible for any loss

occasioned by its exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Borrower must from time to time forthwith upon the request of the Lender deliver to the Lender those Securities requested by the Lender duly endorsed for transfer to the Lender or its nominee to be held by the Lender subject to the terms of this Agreement.

### **3.04            Notification of Account Debtors**

After the occurrence of an Event of Default which is continuing, the Lender may give notice to any account debtors of the Borrower or other person to make all further payments to the Lender, and any payment or other proceeds of Collateral received by the Borrower from account debtors or from any other person liable to the Borrower whether before or after any notice is given by the Lender must be held by the Borrower in trust for Lender and paid over to the Lender on request.

### **3.05            Application of Funds**

Except where the Borrower, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Lender in respect of the Collateral may be applied on account of such parts of the Obligations as the Lender in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Lender may be released to the Borrower, all without prejudice to the Lender's rights against the Borrower.

## **ARTICLE 4 - EVENTS OF DEFAULT**

### **4.01            Events of Default**

Each of the following shall constitute an event of default ("**Event of Default**"):

- (a) if the Borrower does not pay when due any principal or other amount payable by it in accordance with the terms of the Debenture at the place and in the currency in which such amount is expressed to be payable;
- (b) if the Borrower or any subsidiary makes a general assignment for the benefit of creditors; or any proceeding is instituted by it seeking relief as debtor, or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts or for an order for similar relief under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including under any statutes relating to the incorporation of companies) or seeking appointment of a receiver or trustee, or any similar official for it or for any substantial part of its properties or assets; or any corporate or partnership action is taken to authorize any of the actions referred to in this Section 1.01(b);
- (c) if any proceedings are instituted against the Borrower or any subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts or an order for similar relief under any law relating to bankruptcy, insolvency, reorganization or

relief of debtors (including under any statutes relating to the incorporation of companies) or seeking appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties or assets;

- (d) if any proceedings with respect to the Borrower or any subsidiary are commenced under the *Companies Creditors Arrangement Act* (Canada);
- (e) if the Borrower or any subsidiary takes any corporate proceedings for its dissolution, liquidation or amalgamation with any other company or if the corporate existence of the Borrower shall be terminated by expiration, forfeiture or otherwise, or if the Borrower ceases or threatens to cease, to carry on all or a substantial part of its business;
- (f) if any Lien affecting the Collateral becomes enforceable against the Collateral; or
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Borrower or if a distress or analogous process is levied upon the Collateral.

## **ARTICLE 5 - REMEDIES**

### **5.01        Remedies**

On or after the occurrence of any Event of Default which is continuing, any or all security granted hereby will, at the option of the Lender, become immediately enforceable, and in addition to any right or remedy provided by law, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) the Lender may by appointment in writing appoint a receiver (the "**Receiver**") of the Collateral (which term when used in this Section 5.01 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Lender" when used in this Section 5.01 will include any Receiver so appointed and the officers and employees of such Receiver; and the Lender will not be in any way responsible for any misconduct or negligence of any such Receiver;
- (b) the Lender may take possession of the Collateral and require the Borrower to assemble the Collateral and deliver or make the Collateral available to the Lender at such place or places as may be specified by the Lender, and neither the Lender nor any Receiver will be or be deemed to be a mortgagee in possession by virtue of any such actions;
- (c) the Lender may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

- (d) the Lender may carry on or concur in the carrying on of all or any part of the business of the Borrower;
- (e) the Lender may have, exercise or enforce any rights of the Borrower in respect of the Collateral;
- (f) the Lender may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Lender may determine and without notice to the Borrower unless required by law;
- (g) the Lender may accept the Collateral in satisfaction of the Obligations upon notice to the Borrower of its intention to do so in the manner required by law;
- (h) the Lender may, for any purpose specified herein, including for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Borrower, borrow money on the security of the Collateral, which security will rank in priority to the security granted hereby;
- (i) the Lender may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Lender hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Lender deems reasonable, will be added to and form part of the Obligations hereby secured;
- (j) the Lender may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations hereby secured;

The Lender may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up Securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Borrower, debtors of the Borrower, sureties and others and with the Collateral and other security as the Lender sees fit without prejudice to the liability of the Borrower to the Lender or the Lender's rights hereunder.

## **5.02 Powers of the Receiver**

Any Receiver will have all of the rights and powers that the Lender is entitled to exercise pursuant to Section 5.01 but the Lender will not be in any way responsible for any misconduct or negligence of any such Receiver.

**5.03      Liability of the Lender**

The Lender will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and are not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Lender, the Borrower or any other person, in respect of the Collateral.

**5.04      Proceeds of Realization**

The Lender may apply any proceeds of realization of the Collateral to payment of costs, fees and expenses in connection with the preservation and realization of the Collateral as above described and the Lender may apply any balance of such proceeds to payment of the Obligations in such order as the Lender sees fit. If there is any surplus remaining, the Lender may pay it to any person having a claim thereto in priority to the Borrower of whom the Lender has knowledge and any balance remaining must be paid to the Borrower. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Borrower will be liable to pay any deficiency to the Lender forthwith on demand.

**ARTICLE 6- REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER****6.01      Representations, Warranties and Covenants of the Borrower**

The Borrower represents, warrants, and covenants and so long as this Agreement remains in effect shall be deemed to continuously represent, warrant and covenant that:

- (a) the Collateral is genuine and owned by the Borrower free of all liens other than Permitted Encumbrances and the security interests granted in favour of Business Development Bank of Canada and Universal PropTech Inc., respectively;
- (b) (i) each security, chattel paper and instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Borrower to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and (ii) no Account Debtor now has any defense, set off, claims or counterclaim against the Borrower which can be asserted against the Lender, whether in any proceeding to enforce the Collateral or otherwise;
- (c) the Borrower shall diligently maintain and operate the Collateral and shall conduct its operations in a reasonable and prudent manner so as to maintain, preserve and protect the Collateral;
- (d) the Borrower will pay all taxes, rates, levies, government fees and dues levied, assessed or imposed in respect of the Collateral or any part thereof, as and when the

same become due and payable, and shall forthwith upon request by a Lender deliver such evidence as may satisfy such Lender that such taxes, rates, levies, fees and dues have been paid;

- (e) the Borrower will at all times repair and keep in good order and condition any part or parts of the Collateral that constitutes tangible personal property, and renew and replace all and any of the same which may become unrepairable or destroyed;
- (f) the Borrower will insure, at its own expense, on a replacement cost basis, all items of Collateral for which insurance coverage is purchasable, at all times during which any Obligations exist, for such risks and perils as a reasonable owner of similar Collateral would consider prudent;
- (g) other than Permitted Encumbrances, the Borrower shall not create, grant, assume or otherwise permit to exist any assignment, execution, mortgage, charge, hypothec, pledge, lien, security interest or other encumbrance upon the Collateral or any part thereof or the Borrower's interest therein that ranks or its capable of being enforced in priority to or *pari passu* with the Security Interest;
- (h) the Borrower will from time to time at the request of a Lender and at the expense of the Borrower, make and do all such acts and things and execute and deliver all such instruments, security agreements and other writings and assurances as may be necessary or desirable with respect to this Agreement or the Collateral or in order to perfect, keep perfected, maintain and preserve the Security Interest; and
- (i) the Borrower will pay or reimburse the Lender upon demand for all Expenses together with interest thereon from the date of payment by the Lender until paid in full to the Lender by the Borrower at the highest rate of interest payable under the Debenture, calculated and compounded semi-annually, not in advance before and after demand, maturity, default and judgment, together with interest on overdue interest at the same rate.

## **ARTICLE 7- GENERAL**

### **7.01 Failure of Borrower to Perform**

If the Borrower fails to perform any of its covenants or obligations under this Agreement, the Lender may, in its absolute discretion, but without being required to do so, perform any such covenant or obligation. If any such covenant or obligation requires the payment of monies, the Lender may make such payment. All sums so paid by the Lender will be payable by the Borrower to the Lender. No such performance or payment will relieve the Borrower from any default under this Agreement or any consequences of such default.

### **7.02 Waivers of Legal Limitations**

To the fullest extent permitted by law, the Borrower waives all of the rights, benefits and protections that is given by the provisions of any law that imposes limitations upon the powers,

rights or remedies of a secured party, including any law that limits the rights of a secured party to both seize Collateral and sue for any deficiency following realization of Collateral.

**7.03            Benefit of the Agreement**

This Agreement shall be binding upon the Borrower and its successors and permitted assigns and shall enure to the benefit of and be enforceable by the Lender and its successors and permitted assigns.

**7.04            Entire Agreement**

This Agreement has been entered into pursuant to the provisions of the Debenture and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Debenture, the rights and obligations of the parties will be governed by the provisions of the Debenture. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Borrower with respect to the subject matter hereof except as expressly set forth herein or in the Debenture.

**7.05            Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

**7.06            Assignment**

The rights of the Lender under this Agreement may be assigned by the Lender without the prior consent of the Borrower. The Borrower may not assign its obligations under this Agreement.

**7.07            Severability**

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

**7.08            Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by courier or regular mail, or transmittal by facsimile, electronic mail or other form of recorded communication addressed to the recipient as follows:

- (a) to the Borrower at:  
Xemoto Media Ltd.  
2905-77 King St. W.  
Toronto, ON M5K 1H1  
Attention: Brandon Mina  
b.mina@xemotomedia.com
- (b) to the Lender at:  
KW Capital Partners Limited  
10 Wanless Ave. Suite 201,  
Toronto, ON M4N 1V6
- Attention: Aaron Eisenberg  
aeisenberg@plazacapital.ca

or to such other address, facsimile number, email or individual as may be designated by notice given by any party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile or electronic mail or other form of recorded communication, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next business day if it is received after the end of such normal business hours of the recipient on the date of its transmission. Any notice given by courier will be deemed received on the date of delivery if received before 5:00 p.m. EST otherwise it will be deemed received on the next business day. Any notice sent by regular mail shall be deemed received on the fifth (5<sup>th</sup>) business day after the date of mailing.

#### **7.09 Additional Continuing Security**

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Lender.

#### **7.10 Further Assurances**

The Borrower must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by a Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

#### **7.11 Power of Attorney**

Upon the occurrence of an Event of Default that is continuing, the Borrower hereby irrevocably constitutes and appoints any officer for the time being of the Lender the true and lawful attorney of the Borrower, with full power of substitution, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Borrower whenever and wherever the officer may deem necessary or expedient and from time to

time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

**7.12            Discharge**

The Borrower will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Lender.

**7.13            Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**7.14            Copy of Documents and Consent to Filings**

The Borrower acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives all rights to receive from the Lender a copy of any financing statement, financing change statement, or verification statement, filed or issued at any time in respect of this Agreement. The Borrower confirms its consent to the filing by or on behalf of the Lender or on its behalf of any financing statement or financing change statement filed or issued at any time in respect of this Agreement.

**7.15            Facsimile**

This Agreement may be executed by original signature, facsimile, or other electronic signature.

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

**KW CAPITAL PARTNERS LIMITED**

By:



/s/ "Aaron Eisenberg"

Name: Aaron Eisenberg

Title: Partner

**XEMOTO MEDIA LTD.**

By:



/s/ "Brandon Mina"

Name: Brandon Mina

Title: Chief Executive Officer