

## AGREEMENT OF ASSOCIATION

THIS AGREEMENT is entered into this 14th day of July, 2023 by and between HIFI DECENTRALIZED AUTONOMOUS ORGANIZATION ("Hifi DAO"), an unincorporated non-profit association organized under the laws of the state of Delaware, and FINANCE VENTURES, LLC ("Finance Ventures"), a limited liability company organized under the laws of the state of Utah, (collectively, the "Parties").

WHEREAS, Hifi DAO operates a decentralized finance platform that supports various financial activities including but not limited to decentralized lending;

WHEREAS, Finance Ventures desires to have its native "VWp" token accepted and supported as a collateral asset on Hifi DAO's lending protocol;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### SECTION 1 - INCORPORATION OF RECITALS

The recitals set forth above are true and correct and incorporated herein by this reference.

### SECTION 2 - TERMS OF AGREEMENT

2.1 Hifi DAO hereby agrees, subject to the terms and conditions set forth in this Agreement, to include the VWp token as a supported collateral asset on its decentralized lending protocol.

2.2 Upon the execution of this Agreement, Hifi DAO shall ensure that there is an initial available credit of at least Five Hundred Thousand (500,000) hTokens in relation to the VWp token. For the avoidance of doubt, hTokens are understood as a tokenized obligation that settles on a specific future date, as per the operational standards of Hifi DAO.

2.3 Finance Ventures shall have the right to utilize the hTokens made available by Hifi DAO for facilitating lending activities to its customers. Finance Ventures shall ensure that the hTokens are used in accordance with all applicable laws, regulations, and any guidelines or policies provided by Hifi DAO.

2.4 Finance Ventures acknowledges and agrees that the hTokens received from Hifi DAO remain the property of Hifi DAO and shall be held in trust by Finance Ventures for the sole purpose of facilitating lending activities to its customers. Finance Ventures shall not utilize the hTokens for any other purpose, including but not limited to personal or operational expenses, investments, or any activity inconsistent with the intended use of the hTokens in facilitating lending to their customers.

2.5 Finance Ventures shall promptly repay and return the hTokens to Hifi DAO upon maturity at March 28, 2025 or when the hTokens are no longer being utilized for loans to customers.

Finance Ventures shall ensure that the hTokens are readily available for repayment to Hifi DAO and shall take all necessary measures to fulfill this obligation within a reasonable timeframe as determined by Hifi DAO.

2.6 In the event of default or failure by Finance Ventures to fulfill its repayment obligation under section 2.5, Finance Ventures shall be liable to Hifi DAO for the outstanding hToken obligation, along with any applicable interest, fees, or costs incurred by Hifi DAO in connection with the recovery of the hTokens.

### SECTION 3 - DESIGNATION OF MAINFRAME GROUP, INC. AS HIFI DAO'S DESIGNEE

3.1 Designation of Mainframe Group, Inc.: Hifi DAO hereby designates Mainframe Group, Inc., a duly registered entity, as its designee ("Designee") for the purpose of receiving the monthly reporting, financial indicators, and other information from Finance Ventures as specified in this Agreement.

3.2 Duties and Responsibilities of the Designee: The Designee shall perform the following duties and responsibilities on behalf of Hifi DAO:

a) Receipt of Reports: The Designee shall receive the monthly reports from Finance Ventures promptly and in accordance with the agreed-upon timeline.

b) Review and Analysis: The Designee shall review and analyze the monthly reports to identify any significant information or deviations from expected performance, including but not limited to any breaches of the Agreement or potential risks to Hifi DAO.

c) Timely Notification: The Designee shall promptly notify Hifi DAO of any important information, concerns, or deviations identified during the review and analysis of the monthly reports. Such notification shall be provided in writing and include all relevant details necessary for Hifi DAO to assess the situation and take appropriate actions.

3.3 Communication and Collaboration: The Designee shall maintain open and regular communication with Hifi DAO, providing updates, clarifications, or additional information as requested or required by Hifi DAO in connection with the monthly reporting and financial indicators.

3.4 Confidentiality: The Designee shall treat all information received from Finance Ventures as confidential and shall not disclose such information to any third party without the prior written consent of Finance Ventures, except as required by law or regulation.

3.5 No Liability of Designee: The Designee shall exercise reasonable care and diligence in carrying out its duties as specified in this Section 3. However, the Designee shall not be liable to Hifi DAO for any acts, omissions, or errors, except in cases of willful misconduct or gross negligence.

## SECTION 4 - LOAN ELIGIBILITY REQUIREMENTS

4.1 Loan Eligibility Criteria: The following terms constitute the general and specific eligibility criteria for the review and acceptance of proposed Loans by Finance Ventures. All loans originated or purchased by Finance Ventures in its ordinary course of business, which fully comply with Finance Ventures' credit policy and loan origination guidelines, shall be considered eligible for funding through Hifi DAO.

4.2 Preliminary General Conditions: In order to be eligible for a loan, the following conditions must be met:

- a) Loans must be made in accordance with Finance Ventures' approved credit and loan policies.
- b) All loans must satisfy standard compliance measures and searches.
- c) The borrower must have a minimum credit score of 680 and must not have undergone bankruptcy within the past 10 years.
- d) Loans must be properly collateralized and secured, with collateralization calculated as the loan principal divided by the appraised value, which must be less than the maximum allowable Loan-to-Value (LTV) ratio per asset type.
- e) All loans must be collateralized by vintage vehicles..
- f) The maximum allowable LTV ratio is 80%, and the appraised value must be determined by an independent appraiser.
- g) Finance Ventures must be identified as a lienholder on titles for vehicles used as collateral.
- h) Finance Ventures must be added as an additional insured on the insurance policy covering the collateral vehicles.

4.3 Compliance with Loan Eligibility Criteria: Finance Ventures shall ensure that all loans extended to its customers, and intended to be funded through Hifi DAO, comply with the loan eligibility criteria as specified in this Agreement. Finance Ventures shall exercise due diligence in evaluating loan applications and ensure that the eligibility criteria are met before funding a loan through Hifi DAO.

4.4 Documentation and Verification: Finance Ventures shall maintain proper documentation and verification processes to substantiate the fulfillment of loan eligibility requirements. Such documentation may include credit reports, appraisals, compliance records, and any other relevant information necessary to demonstrate adherence to the loan eligibility criteria.

4.5 Designee's Right to Review: Hifi DAO reserves the right of its Designee to review and verify the compliance of each loan with the eligibility criteria specified in this Agreement. If Hifi DAO determines that any loan does not meet the eligibility requirements, its Designee may request additional information, suspend funding, or take appropriate actions as deemed necessary.

## SECTION 5 - MONTHLY REPORTING AND FINANCIAL INDICATORS

5.1 Monthly Reporting: Finance Ventures shall provide monthly reports to the Designee, detailing the utilization of borrowed hTokens and other key financial indicators. The reports shall be prepared and submitted to the Designee no later than seven days following the end of each calendar month during the term of this Agreement.

5.2 Utilization of Borrowed hTokens: The monthly reports shall include a comprehensive breakdown of the utilization of borrowed hTokens by Finance Ventures, specifying the loans funded, outstanding loan balances, interest earned, repayments received, and any other relevant information related to the utilization of hTokens.

5.3 Key Financial Indicators: In addition to the utilization of borrowed hTokens, the monthly reports shall provide key financial indicators that allow the Designee to assess the financial performance and risk exposure of Finance Ventures. These indicators may include, but are not limited to, the following:

- a) Total loan portfolio balance and composition.
- b) Loan delinquency and default rates.
- c) Interest income generated from the loan portfolio.
- d) Operating expenses incurred by Finance Ventures.
- e) Profitability metrics, such as net income or loss.
- f) Any other financial indicators mutually agreed upon by the Parties.

5.4 Reporting Format: The monthly reports shall be prepared in a format agreed upon by the Parties, which may include spreadsheets, financial statements, or any other suitable reporting method. The reports shall be accurate, complete, and presented in a clear and understandable manner.

5.5 Audit and Verification: Hifi DAO reserves the right to conduct periodic audits or request verification of the information provided in the monthly reports. Finance Ventures shall cooperate fully with any such audit or verification process and provide any additional documentation or explanations as requested by Hifi DAO to the Designee within a reasonable timeframe.

5.6 Confidentiality: The information disclosed in the monthly reports shall be treated as confidential by both Parties. Neither Party shall disclose the information to any third party without the prior written consent of the other Party, except as required by law or regulation.

5.7 Remedies for Non-Compliance: In the event of non-compliance with the monthly reporting requirements set forth in this Agreement, Hifi DAO may, at its discretion, take appropriate actions, including but not limited to suspending further funding, requesting additional reporting, or seeking other remedies as permitted by law or equity.

## SECTION 6 - COLLATERAL SALE IN CASE OF DEFAULT

6.1 Default of Borrowers: In the event of default by a borrower on any loan funded through hTokens obtained from Hifi DAO, Finance Ventures shall take immediate action to enforce its rights and remedies under the Pledge and Security Agreement. This includes, but is not limited to, initiating the sale of the collateral securing the loan.

6.2 Collateral Sale: Collateral Sale shall fully comply with Finance Ventures' collateral sales procedure as described below:

a) Sale: The Collateral may be sold for cash or other value at public or private sale without demand, advertisement or notice (except only that Finance Ventures shall give the borrower reasonable prior written notice of the time and place of any public sale, or the time after which a private sale may be made). It is agreed given the nature of the Collateral, that ten (10) days prior written notice to the borrower shall constitute reasonable notice.

b) Application of Proceeds: The proceeds of all sales and collections, and any other moneys (including any cash contained in the Collateral) shall be applied as follows:

1. First, to the payment of the costs and expenses of such sales and collections, and the reasonable compensation of Finance Ventures and its counsel;
2. Second, to the payment of any and all amounts which remain unpaid on the loan;
3. Third, any surplus then remaining to the payment of the loan secured by such Collateral in such order and manner as Finance Ventures may in its sole discretion determine; and
4. Fourth, any surplus then remaining shall be delivered to the borrower, subject, however, to the rights of the holder of any lien of which Finance Ventures has actual notice.

6.3 Reporting to Hifi DAO: Finance Ventures shall provide regular updates to the Designee regarding the status and progress of collateral sale efforts, including details of any significant developments or obstacles encountered during the process.

6.4 Cooperation and Documentation: Finance Ventures shall cooperate fully with Hifi DAO and provide any necessary documentation or information related to collateral liquidation to the Designee upon request.

6.5 Deficiency Balance: If the proceeds from the collateral liquidation are insufficient to fully cover the outstanding loan amount and associated costs, Finance Ventures shall remain liable for the deficiency balance and shall take appropriate actions to recover the remaining amount.

6.6 Preservation of Hifi DAO's Interests: Finance Ventures shall take all necessary steps to ensure the preservation of Hifi DAO's interests in the collateral during the liquidation process, including maintaining proper custody of the collateral until the liquidation is completed.

HIFI DECENTRALIZED AUTONOMOUS ORGANIZATION

By: [REDACTED]

Name: [REDACTED]

Title: Member

FINANCE VENTURES, LLC

By: [REDACTED]

Name: [REDACTED]

Title: Manager