

JOINT VENTURE AGREEMENT

THIS AGREEMENT is effective as of July 19, 2017

BETWEEN:

IMAGINATION PARK ENTERTAINMENT INC., a corporation incorporated pursuant to the laws of the Province of British Columbia, Canada
(“**Imagination Park**”)

-AND-

INTERKNOWLOGY, LLC, a limited liability company formed pursuant to the laws of the State of California, USA
(“**IK**”)

BACKGROUND

- A. IK and Imagination Park have signed a binding letter of intent dated June 30, 2017, which provides, among other things, that IK and Imagination Park intend to establish an incorporated joint venture (the “**Joint Venture**”) for the Purpose as herein defined;
- B. IK and Imagination Park are entering into this Agreement to set forth their understandings that shall regulate the Joint Venture, including their respective rights and obligations.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each Party acknowledges, the Parties agree as follows:

ARTICLE 1 – DEFINED TERMS

1.1 In this Agreement:

- (a) “**Agreement**” means this Joint Venture Agreement as it may be amended or supplemented from time to time;
- (b) “**Bank Account**” has the meaning given in Article 3.8;
- (c) “**Business**” shall have the meaning given in Article 4.1;
- (d) “**Control**” means directly or indirectly owning shares having more than 50% of the votes entitled to be cast to elect the directors of a corporation;
- (e) “**Disclosure Notice**” has the meaning given in Article 13.1;
- (f) “**Effective Date**” means July 19, 2017;
- (g) “**Initial Seed Funds**” has the meaning given in Article 5.1(a)(i);
- (h) “**IK Sub Agreement**” has the meaning given in Article 5.1(b);
- (i) “**IP Sub Agreement**” has the meaning given in Article 5.1(a)(i);

- (j) **“Joint Venture”** means the incorporated joint-venture entity contemplated under this Agreement;
- (k) **“New JV Client”** means a client or customer of the Joint Venture, which client was not an existing client of either Party at any time prior to or on the Effective Date;
- (l) **“JV Interest”** means, concerning each Party as shown in Article 3.6, its percentage interest in the Joint Venture as follows: (i) Imagination Park - 50% and (ii) OK - 50%;
- (m) **“Parties”** means the parties to this agreement and **“Party”** means any one of the Parties;
- (n) **“Purpose”** has the meaning given in Article 3.2;
- (o) **“Shareholders’ Agreement”** has the meaning given in Article 3.7;
- (p) **“Stock Option Agreements”** has the meaning given in Article 5.1(a)(iii);
- (q) **“Subsequent Seed Funds”** has the meaning given in Article 5.1(a)(i);
- (r) **“Technology”** has the meaning given in Schedule A;
- (s) **“Total Seed Funds”** has the meaning given in Article 5.1(a)(i).

ARTICLE 2 – OMITTED INTENTIONALLY

ARTICLE 3– FORMATION OF THE JOINT VENTURE

- 3.1 Incorporation.** As of the Effective Date of this Agreement, and subject to the terms and conditions of this Agreement, the Parties agree that they shall cooperate to cause the incorporation, licensing and registration of the Joint Venture in accordance with the laws of the State of Delaware.
- 3.2 Purpose.** The purpose (the **“Purpose”**) of the Joint Venture is to engage in the **“Business”** (as defined in Article 4.1 below) and to thereby generate profits for the benefit of the Parties. The Joint Venture shall carry out its Business and shall pursue its Purpose in all cases after obtaining any necessary licenses and approvals from the governing authorities.
- 3.3 Name.** The name of the Joint Venture shall be the name agreed to by the Parties.
- 3.4 Head Office, Subsidiaries and Branches.** The Joint Venture shall be located at as agreed to between the Parties and have its principal place of business at a location to be agreed to between the Parties. The Joint Venture may establish branch offices at other locations within Canada and the United State, as the Shareholders may unanimously agree in writing pursuant to the Shareholders Agreement (as defined below) and with the appropriate governmental approvals.
- 3.5 Costs of Incorporation.** Any costs related to licensing, incorporation, and registration of the Joint Venture shall be borne by Imagination Park, without any right of reimbursement.
- 3.6 Share Capital, Constitution and Share Subscription.**
 - (a) The share capital of the Joint Venture shall be an unlimited number of common shares.
 - (b) The Parties shall subscribe for common shares in the Joint Venture, with their respective percentage interests in the Joint Venture (**“JV Interest”**) as follows:

<u>Name</u>	<u>No. of Shares</u>	<u>JV Interest</u>
IK	5,000,000 Common	50%
Imagination Park	5,000,000 Common	50%

- (c) All profits of the Joint Venture shall be shared by each of the Parties in accordance with each's respective JV Interest described in Article 3.6(b) above.
- (d) The Joint Venture shall allot and issue as fully paid the number of shares set against the respective names of the Parties in Article 3.6(b) above and the names of the Parties shall be entered in Joint Venture's register of shareholders.

3.7 Shareholders' Agreement. The Parties agree that upon the Effective Date of this Agreement, they shall enter into a unanimous shareholders' agreement (the "**Shareholders' Agreement**") setting out the manner by which the affairs of the Joint Venture will be conducted and the respective obligations of the shareholders of the Joint Venture. The Shareholders' Agreement shall be substantially in the form of Schedule "E" and shall include the following provisions:

- (a) The Board of Directors of Joint Venture shall be comprised of three (3) directors, of which one (1) would be nominated by Imagination Park, one (1) would be nominated by IK and one (1) would be mutually agreed upon between the Parties.
- (b) The initial sole officer of Joint Venture shall be the President. The initial President shall be selected by Imagination Park.
- (c) The Board will have the power and responsibility to oversee the operations and affairs of Joint Venture, and shall appoint and hire (or remove and terminate) the President of Joint Venture.
- (d) The Board shall be authorized to pursue additional funds (as equity or debt) at such time and in such manner and amount as is in the best interest of Joint Venture and its shareholders.
- (e) Decisions of the Board would be approved by the affirmative vote of a majority of the directors except as otherwise provided herein or in the Shareholders' Agreement.

3.8 Bank Account of the Joint Venture.

- (a) The Parties shall open a bank account (the "**Bank Account**") in a US State or Canadian Province as agreed to between the Parties in the name of the Joint Venture into which all capital contributions of the Parties are to be deposited.
- (b) [REDACTED: Identities of bank signing authorities.]
- (c) [REDACTED: Terms of banking arrangements.]

ARTICLE 4- BUSINESS OF THE JOINT VENTURE

- 4.1 Business of Joint Venture.** The business of Joint Venture shall be the sale of Joint Venture products as generally described in Schedule 'B', attached hereto ("**Business**").
- 4.2 Licensing Arrangements.** Joint Venture products will be sold or leased to customers in a manner that grants to such customers a limited license to use the Technology incorporated within such products, with such licensing being accomplished through Joint Venture only. The Parties further contemplate that license fees may be earned by Joint Venture on such sales.
- 4.3 Other Opportunities.** The Business and Technology, as well as ancillary and related opportunities that may arise from the formation of Joint Venture, will be offered and monetized only through the operations of Joint Venture, provided that the Parties shall retain the ability to undertake separate ventures in those areas generally described in Schedule 'D' ("**Permitted Ventures**").
- 4.4 Good Faith Efforts.** The Parties shall at all times communicate openly with each other, and perform their obligations to, and deal with, each other in good faith. Each Party shall advance the objectives of the Joint Venture in cooperation with the other Party and refrain from any and all contravening acts.
- 4.5 Relationship of Parties.** Nothing in this Agreement, express or implied, will constitute the Parties as partners or the relationship between them as a partnership. Except as otherwise expressly provided in this Agreement:
- (a) neither Party will have any authority to pledge the credit or incur any liability or obligation or bind or act for, or assume any obligations or responsibility on behalf of the other Party or the Joint Venture.
 - (b) the Parties are and will remain separate and independent entities from the Joint Venture.
 - (c) the rights and obligations of the Parties will be, in each case, several, and will not be or be construed to be either joint or joint and several; and
 - (d) nothing contained in this Agreement shall be deemed to constitute or create the relationship of principal or agent, partners, employee, employer, franchisee, legal representative or other legal relationship.
- 4.6 Indemnification.** Each Party will indemnify and hold harmless the other Party from and against all costs, claims, demands and any liability whatsoever arising out of or related to a breach of this provision. The provisions of this section will survive any termination of this Agreement.
- 4.7 Reporting Requirements.** Joint Venture shall produce and distribute to the Parties monthly financial statements, including profit and loss statements, balance sheets, and sources and uses of funds. Joint Venture shall also provide such detail in these reports and in supporting reports and schedules as is reasonably requested by either Party.

ARTICLE 5 – CONTRIBUTIONS AND OBLIGATIONS OF THE PARTIES

- 5.1 Contributions.**
- (a) **Contributions of Imagination Park.** Imagination Park will contribute the following assets and services to the Joint Venture:

- (i) Imagination Park will invest the amount of \$[REDACTED: Amount of investment] (the “**Initial Seed Funds**”) in the Joint Venture and shall receive the number of voting shares in accordance with its respective JV Interest as described in Article 3.6(b). Imagination Park and the Joint Venture will enter into a share subscription agreement (the “**IP Sub Agreement**”) to evidence such investment, and funds shall be deposited in the Bank Account of the Joint Venture.
 - (ii) As needed, and forthwith upon request by the Board of the Joint Venture, Imagination Park will contribute an amount of \$[REDACTED: Amount of investment] (the “**Subsequent Seed Funds,**” with the sum of the Initial Seed Funds and the Subsequent Seed Funds, being “**Total Seed Funds**”). Imagination Park shall not subscribe for nor receive any additional shares in the capital of Joint Venture upon contribution of the Subsequent Seed Funds.
 - (iii) Imagination Park shall enter into stock option agreements granting an aggregate of 240,000 Imagination Park incentive stock options to certain founders of IK (the “**Stock Option Agreements**”).
- (b) **Contributions of IK.** IK shall contribute to the Joint Venture the Technology, by which IK shall and shall receive the number of voting shares in accordance with its respective JV Interest as described in Article 3.6(b), equal to those received by Imagination Park. IK and Joint Venture will enter into a share subscription agreement (“**IK Sub Agreement**”) to evidence this investment.

5.2 Additional Investment. Any opportunity to invest additional funds in the Joint Venture shall be made available to the Parties on an equal basis.

ARTICLE 6 – REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Parties. Each Party represents and warrants that:

- (a) it is a business entity duly organized and validly existing under the laws of its jurisdiction of incorporation or formation;
- (b) it has the requisite capacity, power and authority to execute and deliver this Agreement and all documents and agreements to be executed and delivered by it pursuant hereto and to perform and carry out its obligations to which it thereby becomes subject;
- (c) its execution and delivery of this Agreement and all documents and agreements to be executed and delivered by it pursuant hereto and the completion of the transactions provided for in this Agreement and all documents and agreements to be executed and delivered by it pursuant hereto in accordance with the terms of this Agreement and such documents and agreements are not and will not be in violation or breach of, or be in conflict with:
 - (i) any agreement, instrument, permit or authority to which it is a party or by which it is bound, or
 - (ii) any law, statute, rule or regulation or any judicial order, award, judgment or decree applicable to it or its assets;
- (d) it has taken all actions necessary to authorize the execution and delivery of this Agreement and all documents and agreements to be executed and delivered by it pursuant hereto and the completion of the transactions provided for in this Agreement;

- (e) this Agreement has been validly executed and delivered by it and this Agreement constitutes, and all documents and agreements executed and delivered by it pursuant hereto will constitute valid and binding obligations enforceable against it in accordance with their respective terms and conditions;
- (f) it has good right, requisite capacity, power and authority to deal with the property and assets that are the subject of this Agreement according to the true intent and meaning of this Agreement;
- (g) it does not require any authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the property and assets that are the subject of this Agreement for the due execution, delivery and performance by it of this Agreement, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force; and
- (h) it has the expertise and intent to perform its obligations in any contract for programming services as contemplated in Article 8 below.

ARTICLE 7 – JOINT VENTURE DECISIONS

- 7.1 Governance.** Governance of the Joint Venture shall be accomplished directly by the Board and indirectly by the Shareholders, in accordance with the Shareholders Agreement.

ARTICLE 8 – PROGRAMMING SERVICES

- 8.1 Purchase of Programming Services from IK.** The Joint Venture shall purchase programming services from IK to be provided to the Joint Venture for the benefit of the Business. The Parties acknowledge and agree that IK will charge for such services, with all IK services to be rendered in accordance with the Professional Services Agreement set forth in Exhibit 'D,' attached hereto ("PSA").
- 8.2 Payment for Programming Services.** The Joint Venture shall purchase and pay for at least \$[REDACTED: Amount of fee] in billable programming services from IK within the twelve (12) months immediately following the Effective Date. Such obligation shall be secured by the Technology and by all programming work done by IK for the Joint Venture. Failure by the Joint Venture to meet this obligation shall be considered an incurable breach by the Joint Venture and by Imagination Park. Upon such a breach, IK shall have the option to foreclose on, and take ownership and possession of, the Technology and all programming work done by IK for the Joint Venture, in exchange for IK's ownership interest in the Joint Venture.

ARTICLE 9 – CERTAIN EVENTS OF DEFAULT

- 9.1 Transfer Restrictions.** The Parties have agreed to restrictions in the transfer of their ownership interests in Joint Venture, as set forth in the Shareholders' Agreement.
- 9.2 Insolvency/Bankruptcy.** A Party shall be in default if:
- (a) any third party commences attachment proceedings in a court of competent jurisdiction against the interest of either Party in the Joint Venture and such proceedings continue for more than 14 days;
 - (b) any third party appoints or applies for the appointment of a receiver, trustee, liquidator or administrator of all or substantially all of the property or assets of either of the Parties;

- (c) a Party makes an assignment for the benefit of creditors or other arrangement with creditors for seeking relief under any statute for bankrupt or insolvent debtors; or
- (d) bankruptcy or insolvency proceedings are instituted against either Party;

Upon the occurrence of a default under this section the non-defaulting Party shall be entitled to compensatory damages. Such damages may include forfeiture by the defaulting Party of some or all of its ownership interest in the Joint Venture, as reasonably determined by the Parties or as determined through the arbitration process discussed in Article 10 below.

- 9.3 No Unilateral Encumbrance of Joint Venture by a Party.** Neither Party may cause an encumbrance to be placed on the Joint Venture, and any such act will constitute an event of default. The Party not in default will, by written notice delivered personally to the other Party, shall specify details of any such default and the defaulting Party may cure such default within 7 days. Failure to cure within such time period shall be cause for damages. Such damages may include forfeiture by the defaulting Party of some or all of its ownership interest in the Joint Venture, as reasonably determined by the Parties or as determined through the arbitration process discussed in Article 10 below.

ARTICLE 10 – DISPUTE RESOLUTION

- 10.1** In the event of an unresolved claim or dispute between the Parties which concerns the formation, validity, construction, meaning, performance or effect of this Agreement, or the rights and liabilities of the Parties, or pertains to any matter arising out of or in connection with this Agreement, or in respect of any legal relationship associated with or derived from this Agreement or for the breach thereof (collectively, a “**Dispute**”), such Dispute shall be first referred to the executive management of each Party for discussion and resolution. In the event that the executive management fail to resolve the Dispute within thirty (30) days, such Dispute shall be referred to binding arbitration in accordance with the provisions of Article 10.2 of this Agreement.
- 10.2** All disputes arising out of or in connection with this Agreement shall be finally settled under the rules of the applicable arbitration legislation of the State of Delaware by one or more arbitrators appointed in accordance with the Act. Either Party may initiate arbitration by delivery of written notice to the other Party of its intent to arbitrate. The notice shall set out with reasonable certainty the nature of the dispute. Upon notice being delivered, a designated senior executive of each Party shall endeavour to discuss in good faith the matter in dispute and shall use its best efforts to come to a resolution acceptable to both Parties. If the senior executives of the Parties are unable to come to a resolution within two (2) weeks of notice being delivered, the dispute shall be submitted to arbitration in accordance with the Act, which arbitration shall be binding. The dispute shall be arbitrated by one arbitrator, selected by the Parties in a fair and impartial manner. The place of the arbitration shall be Wilmington, Delaware. The language of the arbitration shall be English.

ARTICLE 11 – INSURANCE

- 11.1** The Joint Venture shall obtain and maintain such insurance policies as the Board deems necessary.

ARTICLE 12 – JOINT VENTURE EXPENSES

- 12.1** The Joint Venture shall be responsible for paying all of its expenses, including taxes, duties and similar charges levied upon it in connection with the operation of the Business and carry out all necessary filings, registrations and fulfil all other obligations towards relevant fiscal authorities in relation thereto.

12.2 The Joint Venture shall keep proper financial accounts, documentation and generally take all measures required by applicable law.

12.3 The Joint Venture shall be responsible for due payment of all taxes in respect to its own personnel as well as the personnel of its subcontractors, consultants or agents.

ARTICLE 13 – CONFIDENTIALITY

13.1 While each Party recognizes that Imagination Park, as a public company listed for trading in Canada (Canadian Securities Exchange) and in the U.S. (OTCQX), has disclosure obligations in terms of material changes and material facts (as such terms are defined in the securities laws of Canada), each Party agrees to:

- (a) keep this Agreement, all transactions contemplated hereunder and all other matters discussed and disclosed in connection with it confidential; and
- (b) not issue any other press releases or make any other public announcement concerning this Agreement and the transactions contemplated herein without the consent of all Parties,

save and except for such disclosure as is required by law, in the reasonable opinion of counsel to a Party. If a Party is required by law to make such disclosure, including in the case of the execution of the contemplated Agreement, the disclosing Party shall forthwith provide notice to the other Party (“**Disclosure Notice**”) and include the details of such disclosure. Where a Party issues a Disclosure Notice, the Parties shall then work together to the extent permitted by law and with regard to all relevant circumstances, to agree on the content of such disclosure and prevent or limit such disclosure to preserve the confidential and strategic nature of the relevant information, through such means as are appropriate in the circumstances.

13.2 Each of the Parties also agrees not to make use of such information for any purposes other than the Purpose.

13.3 The obligations hereunder shall survive termination or expiry of this Agreement.

ARTICLE 14 – RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

14.1 Each Party shall, as a shareholder of the Joint Venture, have all of the rights and obligations of shareholders of a Delaware corporation under governing law, as modified permissibly by the Shareholders’ Agreement.

ARTICLE 15 – OMITTED INTENTIONALLY

ARTICLE 16– GENERAL PROVISIONS

16.1 Complete Agreement; Amendment. This Agreement is the entire agreement between the Parties and supersedes all agreements, representations, warranties, statements, promises and understanding, whether oral or written concerning the subject matter of this Agreement and neither Party will be bound by any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set out or referred to in this Agreement. This Agreement may be amended only by written agreement of the Parties hereto.

16.2 Notices.

- (a) Any notice required to be made hereunder shall be deemed to have been properly made if delivered personally to the Party to whom it is addressed, or if delivered by registered mail or electronic mail, addressed as follows:

If to Imagination Park:

Alen Paul Silverstieen
CEO & President
Imagination Park Entertainment Inc.
700-838 W. Hastings St.
Vancouver, B.C. V6C 0A6
CANADA

Email: [REDACTED: Email address]

And, if sent by email, with a copy to: [REDACTED: Email address]

If to IK:

Tim Huckaby
Chairman & Founder
InterKnowlogy, LLC
1525 Faraday Avenue, Suite 250
Carlsbad, CA 92008
UNITED STATES OF AMERICA

Email: [REDACTED: Email address]

And, if sent by email, with a copy to: [REDACTED: Email address]

- (b) Notice shall be deemed to have been received upon delivery in the case of personal delivery or registered mail, or upon the next business day after being sent by email.
- (c) Notwithstanding the prescribed method of delivery set forth above, actual receipt of written notice by the natural person(s) designated above shall constitute notice given in accordance with this Agreement on the date received.

16.3 Waiver. Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing and executed by the Party hereto granting such waiver or right. No consent or waiver, express or implied of any breach or default by the other Partying the performance of its obligations under this agreement will be considered or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations of such other Party under this Agreement.

16.4 Assignment.

- (a) Except as provided in Section 16.4(b) below, neither party may assign or transfer its rights or delegate its obligations under this Agreement without the other party's prior written consent, which will not be unreasonably withheld.
- (b) Notwithstanding anything to the contrary contained herein, either party ("Transferor") may effect, without the consent of other party ("Other Party"), a transfer of the benefits and/or burdens of this Agreement to any entity which controls, is controlled by, or is under common control with Transferor; to any entity which results from a merger or consolidation with Transferor; or to any entity which acquires substantially all of the equity ownership (i.e., stock, membership interest, or partnership interest) or assets of Transferor, as a going concern, with respect to the business that is the subject of this

Agreement (hereinafter each a "Permitted Transfer"). In addition, a sale or transfer of an equity interest in Transferor shall be deemed a Permitted Transfer if (1) such sale or transfer occurs in connection with any bona fide financing or capitalization for the benefit of Transferor, or (2) Transferor is or becomes a publicly traded corporation. Other Party shall have no right to terminate this Agreement in connection with any Permitted Transfer.

- 16.5 Severability.** If any provision of this Agreement should be invalid, illegal or unenforceable in any respect, the provisions will be deemed to be severed and the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 16.6 Enurement.** This Agreement will enure to the benefit of and be binding upon the Parties and their respective personal representatives, successors, and permitted assigns.
- 16.7 Governing Law.** This Agreement shall, in all respects, be subject to, and interpreted, construed and enforced in accordance with and under the applicable law in effect in the State of Delaware and the applicable law of the United States applicable therein and shall, in all respects, be treated as a contract made in in the State of Delaware. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the State of Delaware, and the courts of appeal therefrom, in respect of all matters arising out of or in connection with the Agreement.
- 16.8 Costs.** Costs and expenses incurred in respect of this Agreement and in respect of any resulting negotiations and agreements, including legal and accounting charges will be borne by the Party which incurs them, save for the costs of the incorporation of the Joint Venture, which shall be borne by Imagination Park in Accordance with Article 3.5.
- 16.9 Currency.** All currency hereunder shall be in United States Dollars.
- 16.10 Further Assurances.** Each Party agrees to give and execute such further and other documents, instruments and assurances, and to cause such meetings to be held, resolutions passed, by-laws enacted, and exercise their respective votes and influence, and do and perform or cause to be done and performed such further and other acts and things as may be necessary or desirable to give effect to the Joint Venture, and to the terms and provisions of this Agreement.
- 16.11 Counterpart.** This Agreement may be executed in counterparts and evidenced by facsimile or portable document format (PDF) copies thereof, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.
- 16.12 Schedules.** The Schedules attached to this Agreement shall form part of and are incorporated into the Agreement.

[Intentionally left blank – execution page follows]

IN WITNESS WHEREFORE, this Agreement has been duly executed by the Parties as of the Effective Date.

IMAGINATION PARK ENTERTAINMENT INC.

INTERKNOWLOGY, LLC

Per: (signed) "Alen Paul Silverstien"
Alen Paul Silverstien

Per: (signed) "Tim Huckaby"
Tim Huckaby

I have the authority to bind the corporation.

I have the authority to bind the corporation.

[REDACTED: Schedules]