Court File No. CL-26-00000325-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

ROGER HWANG

Applicant

and

ACORA ACOUSTICS CORPORATION, VALERIO CORA, ANSON LIAO

Respondents

APPLICATION UNDER SECTIONS 148 AND 149 OF THE ONTARIO *BUSINESS CORPORATIONS ACT*, S.C. 1991, C. 45 AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C.43, AS AMENDED

APPLICATION RECORD

(hearing returnable on August 6, 2026)

July 17, 2026

FOGLER RUBINOFF LLP
Lawyers
Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

Catherine Francis (LSO# 26900N)
cfrancis@foglers.com
Tel: 416-941-8861

Lawyers for Roger Hwang

TO: **ACORA ACOUSTICS CORPORATION**
165 Milner Avenue
Scarborough, ON M1S 4G7

1821 Albion Road Units #13-14
Etobicoke, ON M9V 4C1

Att: Valerio Cora
Email: admin@pctek.ca

Att: Roger Hwang
Email: rogerh@crystalintl.com

Att: Anson Liao
Email: ansonl@linkupgroup.com

Respondent

AND TO: **VALERIO CORA**
65 Lund Street
Richmond Hill, ON L4C 9V7

admin@pctek.ca

Respondent

AND TO: **ANSON LIAO**
21 Richard Serra Court
King City, ON L7B 0B1

ansonl@linkupgroup.com

Respondent

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NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing *(choose one of the following)*

☐ In writing
☐ In person
☐ By telephone conference
☒ By video conference

at the following location:

[location]

(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)

on Thursday , August 6 , 2026, at 11:00 a.m. , before a judge presiding over the Commercial List *(or on a day to be set by the registrar)*.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 15, 2026 Issued by ______________________________
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7

TO: Acora Acoustics Corporation

165 Milner Avenue
Scarborough, ON M1S 4G7

1821 Albion Road Units #13-14
Etobicoke, ON M9V 4C1

AND TO: Valerio Cora
65 Lund Street
Richmond Hill, ON L4C 9V7

AND TO: Anson Liao
21 Richard Serra Court,
King City, ON L7B 0B1

APPLICATION

1. The Applicant, Roger Hwang ("**Hwang**"), makes an application for:

   (a) An Order winding up Acora Acoustics Corporation ("**Acora Acoustics**");

   (b) An interim Order appointing Albert Gelman Inc. (“**AGI**”) as liquidator or receiver of Acora Acoustics;

   (c) Such further and other interim or final relief as may be appropriate pursuant to section 207 of the Ontario *Business Corporations Act*, S.C. 1991, c. 45 (the "**OBCA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the "**CJA**"), as amended;

   (d) Pre-judgment and post-judgment interest pursuant to sections 128 and 129 of the CJA;

   (e) The costs of this proceeding, plus all applicable taxes; and

   (f) Such further and other relief as to this Honourable Court may deem just.

2. The grounds for the application are:

The Parties

   (a) The Applicant, Hwang, is an individual residing in Toronto, Ontario. Hwang is an officer, director and shareholder of Acora Acoustics;

   (b) The Respondent, Acora Acoustics, is a company incorporated pursuant to the laws of Ontario with its registered head office in Toronto, Ontario;

(c) The Respondent, Valerio Cora ("**Cora**"), is an officer, director and shareholder of Acora Acoustics;

(d) The Respondent, Anson Liao ("**Liao**"), is an officer, director and shareholder of Acora Acoustics;

Background

(e) Acora Acoustics was incorporated on September 19, 2018 with its registered head office at 165 Milner Avenue, Scarborough, Ontario;

(f) Acora Acoustics is a manufacturer of high-end loudspeakers, specializing in premium audio systems built with stone (granite) enclosures, combining precision engineering and craftsmanship to deliver high-fidelity sound reproduction for the luxury audio market;

(g) The shareholders of Acora Acoustics are as follows:

(i) Hwang: 40 Class A Common Shares

(ii) Cora: 45 Class A Common Shares

(iii) Liao: 15 Class A Common Shares

(h) In addition to his Class A Common Shares, Hwang advanced $400,000.00 by way of "seed capital" to Acora Acoustics on the basis that he would receive retractable Class A preference shares in this amount;

(i) The shares were never formally issued to Hwang but were reflected on Acora's financial statements;

(j) Hwang, Cora, Liao and Acora Acoustics entered into a Unanimous Shareholder Agreement ("**USA**") dated September 19, 2018 governing the rights of the shareholders;

(k) Under Article 26 of the USA, Cora was appointed as Chief Executive Officer, Hwang was appointed as Chief Financial Officer and Liao was appointed as Chief Operating Officer;

(l) Article 27 of the USA provides, in part, as follows:

Article 27 Voting Rights and Decision Making

27.1 The voting rights that apply to any decision of the Shareholders and Directors, as applicable (the "Voting Rights"), shall be as follows:

27.1.1 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of shareholders;

27.1.2 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of Directors;

2127.1.3 A Shareholder, Nominee or Director in Default hereunder shall not be entitled to have any voting rights unless and until they have permanently cured that Default.

…

27.2.2 All decisions of Directors will be decided by Special Majority Vote, with each Director having the Voting Rights for such Director as set out in Article 0;

27.2.3 All decisions of Shareholders will be decided by Special Majority Vote, with each Shareholder having the Voting Rights for such Shareholder as set out in Article 0;

(m) Notwithstanding the voting rights, section 28 of the USA provides as follows:

28.1 Notwithstanding the foregoing, and except as expressly permitted (i) under Part 5 below or (ii) elsewhere in this Agreement, the following matters require Unanimous Vote approval of the Appointed Directors or the Shareholders:

28.1.1 The payment of any monies to any Shareholder, Nominee, Director, Officer or Family Member for services provided to the Company, save and except for reasonable salaries and wages consistent with past practices, and reimbursement of any Company expenses incurred by such persons;

28.1.2 The purchase, sale or lease by the Company of any real property, other than Company premises for the day-to-day operation of the business of the Company;

28.1.3 Any transaction not in the ordinary course of the Company's business;

28.1.4 The issuance of any further shares, rights, options, warrants or securities of any kind by the Company;

28.1.5 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company;

28.1.6 The amalgamation of the Company with any other corporation;

28.1.7 Any sale in bulk or sale outside the ordinary course of business of Company assets, any sale of all or substantially all of the assets of the Company, or any winding up of the Company;

28.1.8 Any amendment to the existing by-laws of the Company or the passing of any new by-laws;

28.1.9 Any amendment of the Articles of the Company;

28.1.10 Any amendment to this Agreement;

28.1.11 Such other matters as require Unanimous Vote approval under this Agreement;

28.1.12 Any transaction not in the ordinary course of the Company's business; and

28.1.13 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company;

(n) Article 49 of the USA expressly provides that each nominee, director and shareholder of Acora Acoustics is entitled to full and unrestricted access to the books and records of the company, including all financial records;

(o) Pursuant to a Lease dated December 2, 2022 between Mucher Enterprises Limited as Landlord and Acora Acoustics as tenant, Acora Acoustics leased premises at 1821 Albion Road Units #13-14, Etobicoke, Ontario having a rentable area of 9,304 square feet (the "**Leased Premises**") for the operation of its business;

(p) The day-to-day operations of Acora Acoustics were principally conducted by Cora. Acora Acoustics paid a salary to Cora;

(q) Acora Acoustics currently has six other employees;

(r) Hwang, through a corporation controlled by him, Crystal Group Holdings Inc. ("**Crystal Group**"), made advances to Acora Acoustics during the period from June 18, 2019 through April 15, 2026 to fund Acora Acoustics' operations in the total amount of $4,044,924.82 and USD $2,017,519.71;

(s) The loan advances from Crystal Group are due on demand and accrue interest at the rate of prime plus one percent (1%) per annum, calculated and payable monthly;

(t) Historically, Acora Acoustics suffered significant losses, notwithstanding being financed by way of low interest loans from Crystal Group;

(u) During its fiscal year ending September 30, 2025, Acora Acoustics suffered a loss of $900,646.10. As at September 30, 2025, Acora Acoustics reported negative retained earnings in the amount of $5,082,068.84;

(v) Acura continued to experience losses in its current fiscal year ending September 30, 2026;

Events of June 2026

(w) In or about early June 2026, disputes arose between Hwang and Cora in respect of the operations of Acora Acoustics;

(x) Commencing on Thursday, June 11, 2026, Cora arranged for a large container to be brought to the Leased Premises and asked various employees of Acora Acoustics to move and load office furniture and other items, including computer and other equipment, into the container;

(y) A further container arrived on Monday, June 15, 2026, and Cora continued moving items by truck and container from the Leased Premises, including computers, a colour printer, the server containing Acora Acoustics' financial records, production tools and a tool box;

(z) By letter dated June 19, 2026, Crystal Group made formal demand for repayment of its loans by June 30, 2026;

(aa) No payments have been made;

(bb) As a result of the above events, including the disputes among the shareholders and Cora's abandonment of the Leased Premises with furniture, equipment and servers, Acora Acoustics has become deadlocked and its business has virtually ground to a halt;

(cc) Crystal Group has been required to continue funding expenses, including payroll (other than Cora) on an interim basis, in order to meet Acora Acoustics' obligations to its employees and maintain and preserve the goodwill and viability of the business;

(dd) The appointment of a liquidator and/or receiver is urgently required to stabilize the operations and assess wind-down options for the business for the benefit of all stakeholders;

(ee) AGI has consented to act as liquidator and/or receiver;

(ff) The Applicant pleads and relies on the provisions of the OBCA and the CJA.

3. The following documentary evidence will be used at the hearing of the application:

(a) The affidavit of Roger Hwang to be sworn;

(b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

July 15, 2026

FOGLER, RUBINOFF LLP
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Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

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Lawyers for the Applicant

ROGER HWANG -and- ACORA ACOUSTICS CORPORATION et al.

Applicant Respondents

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PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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APPLICATION UNDER SECTIONS 148 AND 149 OF THE ONTARIO *BUSINESS CORPORATIONS ACT*, S.C. 1991, C. 45 AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C.43, AS AMENDED

AFFIDAVIT OF ROGER HWANG

I, Roger Hwang, of the City of Toronto in the Province of Ontario, MAKE OATH AND SAY:

1. I am an officer, director and shareholder of Acora Acoustics Corporation ("**Acora**") and, as such, I have knowledge of the matters contained in this Affidavit. Where I have indicated that I have obtained facts from other sources, I have identified the sources and believe those facts to be true.

2. I am making this affidavit in support of an Order winding up Acora and an interim Order appointing Albert Gelman Inc. ("**AGI**") as liquidator or receiver of Acora.

Background

3. Acora was incorporated on September 19, 2018 with its registered head office at 165 Milner Avenue, Scarborough, Ontario. A copy of the Corporate Profile Report is attached as **Exhibit "A".**

4. Acora is a manufacturer of high-end loudspeakers, specializing in premium audio systems built with stone (granite) enclosures, combining precision engineering and craftsmanship to deliver high-fidelity sound reproduction for the luxury audio market.

5. The shareholders of Acora are as follows:

(a) Roger Hwang: 40 Class A Common Shares

(b) Valerio Cora ("**Val**"): 45 Class A Common Shares

(c) Anson Liao ("**Anson**"): 15 Class A Common Shares

6. In addition to the Class A common shares that I hold, I advanced $400,000.00 by way of "seed capital" to Acora on the basis that I would receive retractable Class A preference shares in this amount.

7. Although the preference shares were never formally issued to me, they were reflected on Acora's financial statements.

8. Val, Anson and I, together with Acora, entered into a Unanimous Shareholder Agreement ("**USA**") dated September 19, 2018 governing the rights and obligations of the shareholders. A copy of the USA is attached as **Exhibit "B".**

9. The USA contemplated that loans would be advanced to Acora by way of shareholder loans, which would be secured against all of the assets of Acora and non-interest-bearing, provided that each shareholder contributed their proportionate share.

10. Article 20.3 of the USA provides as follows:

> 20.3 Notwithstanding Article 20.1 above, Roger has or shall provide to the financing of the Company the following funds:
>
> (i) Roger shall provide seed capital in the amount of $400,000.00 to the Company on incorporation. These funds are not to be regarded as a loan or otherwise as indebtedness of the Company to Roger.
>
> 18(ii) Roger further agrees to facilitate the Company to borrow from his existing line of credit. The Company shall only pay interest during the second year. In the event that such funds become depleted, the line of credit shall be paid by the following in the following order;
>
> > 1. Company by liquidating all its assets including but not limited to cash on hand, any monies in company accounts, inventory and/or any assets;
> >
> > 2. Roger to repay the outstanding amount after the Company has applied all assets available to the repayment of the line of credit;.
>
> (iii) The other shareholders shall not be personally liable for the company's finance.

11. Pursuant to Article 20.3 of the USA, I arranged for Crystal Group Holdings Inc. ("**Crystal Group**"), a company that I own and control, to advance funds to Acora by way of loans to finance its operations, over and above the existing $400,000.00 that I advanced personally, as set out above.

12. Under Article 26 of the USA, Val was appointed as Chief Executive Officer, I was appointed as Chief Financial Officer and Anson was appointed as Chief Operating Officer.

13. Article 27 of the USA provides, in part, as follows:

Article 27 Voting Rights and Decision Making

27.1 The voting rights that apply to any decision of the Shareholders and Directors, as applicable (the "Voting Rights"), shall be as follows:

27.1.1 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of shareholders;

27.1.2 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of Directors;

2127.1.3 A Shareholder, Nominee or Director in Default hereunder shall not be entitled to have any voting rights unless and until they have permanently cured that Default.

…

27.2.2 All decisions of Directors will be decided by Special Majority Vote, with each Director having the Voting Rights for such Director as set out in Article 0;

27.2.3 All decisions of Shareholders will be decided by Special Majority Vote, with each Shareholder having the Voting Rights for such Shareholder as set out in Article 0;

14. Notwithstanding the voting rights, section 28 of the USA provides as follows:

28.1 Notwithstanding the foregoing, and except as expressly permitted (i) under Part 5 below or (ii) elsewhere in this Agreement, the following matters require Unanimous Vote approval of the Appointed Directors or the Shareholders:

28.1.1 The payment of any monies to any Shareholder, Nominee, Director, Officer or Family Member for services provided to the Company, save and except for reasonable salaries and wages consistent with past practices, and reimbursement of any Company expenses incurred by such persons;

28.1.2 The purchase, sale or lease by the Company of any real property, other than Company premises for the day-to-day operation of the business of the Company;

28.1.3 Any transaction not in the ordinary course of the Company's business;

28.1.4 The issuance of any further shares, rights, options, warrants or securities of any kind by the Company;

28.1.5 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company;

28.1.6 The amalgamation of the Company with any other corporation;

28.1.7 Any sale in bulk or sale outside the ordinary course of business of Company assets, any sale of all or substantially all of the assets of the Company, or any winding up of the Company;

28.1.8 Any amendment to the existing by-laws of the Company or the passing of any new by-laws;

28.1.9 Any amendment of the Articles of the Company;

28.1.10 Any amendment to this Agreement;

28.1.11 Such other matters as require Unanimous Vote approval under this Agreement;

28.1.12 Any transaction not in the ordinary course of the Company's business; and

28.1.13 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company.

15. Under the terms of the USA, although Anson and I together hold three-fifths of the votes of Acora, all major decisions require unanimous approval and accordingly all shareholders have veto rights in respect of all major decisions.

16. The day-to-day operations of Acora were principally conducted by Val. Acora paid a salary to Val.

17. Pursuant to a Lease dated December 2, 2022 between Mucher Enterprises Limited as Landlord and Acora as tenant, Acora leased premises at 1821 Albion Road Units #13-14, Etobicoke, Ontario having a rentable area of 9,304 square feet (the "**Leased**

Premises") for the operation of its business. A copy of the Lease is attached as **Exhibit "C".**

18. The Lease provides as follows:

> The Landlord agrees that Nymax Industries cob as DBA Pc-Tek Computer and Silver Accounting Services Inc. will be permitted as sub-tenants in the premises.

19. Both these companies are controlled by Val and/or his wife. Neither of them have ever paid rent for their use of the Leased Premises.

20. During the period from June 18, 2019 through April 15, 2026, Crystal Group advanced a total of $4,044,924.82 and USD $2,017,519.71 to fund Acora's operations.

21. The loan advances from Crystal Group were due on demand and accrue interest at the rate of prime plus one percent (1%) per annum, calculated and payable monthly.

22. Acora has never been profitable since its incorporation, notwithstanding being financed by way of low interest loans from Crystal Group. Below is a summary of losses from Acora's inception through its 2025 fiscal year.

Acora Acoustics Corporation
Summary of Sales and Net Profit/Loss (Currency : CAD)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Sales	$0	$0	$39,289	$75,488	$146,654	$413,925	$441,763	$989,781
Net Pofit/Loss	$0	($265,694)	($484,079)	($571,199)	($838,526)	($858,006)	($1,163,803)	($961,829)

23. As at September 30, 2025, Acora reported negative retained earnings in the amount of $5,082,068.84. Copies of Acora's financial statements for the fiscal year ending September 30, 2025 are attached as **Exhibit "D".**

24. Acora has continued to experience losses in its current fiscal year ending September 30, 2026. Copies of Acora's income statement and balance sheet up to May 31, 2026 are attached as **Exhibit "E".**

Recent Events/Demand by Crystal Group

25. Article 49 of the USA expressly provides that each nominee, director and shareholder of Acora is entitled to full and unrestricted access to the books and records of the company, including all financial records.

26. Contrary to the terms of the USA, Acora did not obtain review engagement financial statements.

27. Val and his wife, Sheree, ran Acora with minimal oversight and without properly accounting for the operations.

28. The ongoing loss situation and other events led to a breakdown in the relationship between myself and Val.

29. On June 8, 2026, Kevin Huang of Crystal Group sent Acora's May 2026 RBC credit card statements to Val and asked him to provide some missing invoices. I was copied on this email. Val responded: "Do not send me any more emails I will not respond". A copy of this email exchange is attached as **Exhibit "F".**

30. On June 9, 2026, Val's wife, Sheree sent two invoices from "Silver Sound Consulting", a company owned by Sheree, to Micky Yeung ("**Micky**"), an employee of Acora, for alleged services provided to Acora. Micky sent these invoices to me on June 10, 2026. I was not prepared to fund payment of these invoices.

31. I am advised by Micky and believe that Val told him on June 10, 2026 that he was "out".

32. Commencing on Thursday, June 11, 2026, Val arranged for a large container to be brought to the Leased Premises and asked various employees of Acora to move and load office furniture and other items, including computer and other equipment, into the container.

33. As a result of Val's abruptly quitting Acora, I arranged to terminate his and Sheree's access to Acora's accounts at RBC and removed Val from the payroll.

34. A further container arrived on Monday, June 15, 2026, and Val continued moving items by truck and container from the Leased Premises, including computers, a colour printer, the server containing Acora's financial records, production tools and a tool box.

35. Copies of photogaphs showing the removal of some of the furniture and equipment from the Leased Premises are attached as **Exhibit "G".**

36. A listing of the two container loads of items removed is attached as **Exhibit "H".**

37. A schedule of the equipment that was removed, with the estimated values, is attached as **Exhibit "I".**

38. By letter dated June 19, 2026, Crystal Group made formal demand for repayment of its loans by June 30, 2026, with copies sent by email to Val. A copy of the demand letter is attached as **Exhibit "J".**

39. No payments have been made to Crystal Group.

40. On June 22, 2026, after having moved out the equipment and furniture described above, Val sent an email to me and others as follows:

> Hi Team
>
> I have been denied access to various company accounts and administrative systems that I previously utilized in the performance of my duties. In addition, my company credit cards have been declined and/or deactivated without prior notice or reasonable operational accommodation.
>
> These actions have materially impaired my ability to effectively manage and conduct the day-to-day operations of Acora Acoustics, including but not limited to production oversight, procurement of materials and services, logistics coordination, customer support, sales management, and the timely fulfillment and delivery of customer orders.
>
> Given my ongoing responsibilities and obligations to the company, I formally request that all necessary account access, authorizations, and company credit facilities previously assigned to me be immediately restored. Failure to do so will continue to negatively impact operational efficiency, customer service, production schedules, and the company's ability to meet its commitments to customers, suppliers, and business partners.
>
> I remain willing and able to continue performing my duties in the best interests of the company and request that these restrictions be removed without delay.

41. A copy of this email is attached as **Exhibit "K".**

42. By that point the relationship had irrevocably broken down. Acora cannot continue operating without funding from Crystal Group and I was not prepared to have Crystal Group continue funding the operations with Val running the operation.

43. As a result of the above events, including the disputes between myself and Val and his abandonment of the Leased Premises with furniture, equipment and servers, Acora's business has virtually ground to a halt.

44. A copy of an email from Micky to me dated June 30, 2026 confirming that all computers had been moved out and that everything had stopped is attached as **Exhibit "L".**

45. Acora currently has six employees besides Val. Crystal Group has been required to continue funding expenses, including payroll (other than for Val himself) on an interim basis, in order to meet Acora's obligations to its employees and maintain and preserve the goodwill and viability of the business.

46. As set out in the USA, the loans are to be repaid by Acora liquidating all its assets, including but not limited to cash on hand, any monies in company accounts, inventory and/or any assets.

47. The appointment of a liquidator and/or receiver is urgently required to stabilize the operations and assess wind-down options for the business for the benefit of all stakeholders.

48. Between myself and Anson, we hold 55% of the common shares of Acora. Anson concurs with the appointment of a liquidator and/or receiver.

49. AGI has consented to act as liquidator and/or receiver.

SWORN by Roger Hwang of the City of Toronto, before me in the Town of Ajax, in the Regional Municipality of Durham, in the Province of Ontario, on July 16, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Karen Fox

Commissioner for Taking Affidavits
(or as may be)

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

ROGER HWANG

ROGER HWANG	-and-	ACORA ACOUSTICS CORPORATION et al.
Applicant		Respondents

Court File No. CL-26-00000325-0000

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AFFIDAVIT OF ROGER HWANG

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Catherine Francis (LSO# 26900N)
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Lawyers for Applicants

Ontario

Ministry of Public and Business Service Delivery

Profile Report

ACORA ACOUSTICS CORPORATION as of January 12, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ACORA ACOUSTICS CORPORATION
Ontario Corporation Number (OCN)	2655975
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 19, 2018
Registered or Head Office Address	165 Milner Ave, Scarborough, Ontario, M1S 4G7, Canada

This is Exhibit "A" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox
A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors	1
Maximum Number of Directors	10

Active Director(s)

Name	VALERIO CORA
Address for Service	26 Wilstead Drive, Newmarket, Ontario, L3Y 4T9, Canada
Resident Canadian	Yes
Date Began	September 19, 2018

Name	ROGER HWANG
Address for Service	165 Milner Avenue, Scarborough, Ontario, M1S 4G7, Canada
Resident Canadian	Yes
Date Began	September 19, 2018

Name	ANSON LIAO
Address for Service	70 East Beaver Creek Road, Richmond Hill, Ontario, L4B 3B2, Canada
Resident Canadian	Yes
Date Began	September 19, 2018

Active Officer(s)

Name	VALERIO CORA
Position	Chief Executive Officer
Address for Service	26 Wilstead Drive, Newmarket, Ontario, L3Y 4T9, Canada
Date Began	September 19, 2018

Name	ROGER HWANG
Position	Chief Financial Officer
Address for Service	165 Milner Avenue, Scarborough, Ontario, M1S 4G7, Canada
Date Began	September 19, 2018

Name	ANSON LIAO
Position	Chief Operating Officer
Address for Service	70 East Beaver Creek Road, Richmond Hill, Ontario, L4B 3B2, Canada
Date Began	September 19, 2018

Corporate Name History

Name	ACORA ACOUSTICS CORPORATION
Effective Date	September 19, 2018

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: VALERIO CORA - DIRECTOR	April 11, 2021
Annual Return - 2019 PAF: VALERIO CORA - DIRECTOR	April 12, 2020
Annual Return - 2018 PAF: VALERIO CORA - DIRECTOR	April 12, 2020
CIA - Notice of Change PAF: KAREN LILLEY - OTHER	September 20, 2018
CIA - Initial Return PAF: KAREN LILLEY - OTHER	September 19, 2018
BCA - Articles of Incorporation	September 19, 2018

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

ACORA ACOUSTICS CORPORATION

Unanimous Shareholder Agreement

This is Exhibit "B" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

Effective Date: September 19th, 2018

Table of Contents

Unanimous Shareholder Agreement

DATED September 19th, 2018

A M O N G:

ACORA ACOUSTICS CORPORATION

(the "**Company**")

\- and -

VALERIO CORA

("**Val**")

\- and -

ROGER HWANG

("**Roger**")

\- and -

ANSON LIAO

("**Anson**")

PART 1 – APPLICATION, IMPLEMENTATION AND TERM

The parties to this Agreement are the Company and its Shareholders. The parties wish to provide for the orderly management of the Company's affairs and the respective rights and obligations of the Shareholders of the Company.

Therefore, in consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company, its Shareholders, and the Nominees (if applicable) agree as follows:

Article 1 Definitions

1.1 All defined terms as set out in this Agreement from time to time shall have the meanings ascribed to them whether or not their definition occurs before or after the first use of that term.

1.2 In addition, the following terms shall have the meanings hereinafter set out:

1.2.1 "**Act**" shall mean the Ontario *Business Corporations Act* and the regulations made thereunder, as amended from time to time.

1.2.2 "**Appointed Director**" has the meaning set out in Article 25.1, and "Appointed Directors" shall mean all of them.

1.2.3 "**Appointed Officer**" has the meaning set out in Article 26.1, and "Appointed Officers" shall mean all of them.

1.2.4 "**Arm's Length**" shall have the same meaning as that term is given in the Canada *Income Tax Act.*

1.2.5 "**Arbitration**" has the meaning set out in Article 31.

1.2.6 "**Business of the Company**" and "**Business**" shall mean business or commercial activity as shall be approved by the Directors of the Company by Unanimous Vote.

1.2.7 "**Business Day**" shall mean any day other than a Saturday, Sunday or statutory holiday in the province of Ontario. If any notice period expires or any act must be done on a day that is not a Business Day, then such notice or action shall expire or shall be taken on the next ensuing Business Day.

1.2.8 "**Commitment Date**" shall mean the day that is one (1) year following the date of this Agreement.

1.2.9 **"Control"**, **"Controlled"** or **"Controls"** with respect to any corporation means that the person in question directly or indirectly controls the majority of votes of the directors of that corporation by way of appointment or agreement, such that they are in a position to directly or indirectly determine any decision of the board of directors of that corporation.

1.2.10 "**Corporate Shareholder**" shall have the meaning set out in Article 2, and "Corporate Shareholders" shall mean all of them.

1.2.11 "**Deadlock**" shall include any situation where:

1.2.11.1 A Restricted Person is refusing to attend or vote at a properly called Meeting, or

1.2.11.2 The Shareholders or Directors are unable to agree on any issue that cannot be resolved through the voting mechanism set out in this Agreement and is not something that can be resolved by Arbitration;

And also includes any other situation specifically constituting a "Deadlock" set out elsewhere in this Agreement (if at all).

1.2.12 "**Default**" shall include any situation where:

1.2.12.1 A Restricted Person breaches this Agreement, or is failing to comply with their obligations under this Agreement, or is refusing to attend a Meeting duly called for Company business for the purpose of frustrating the quorum, voting or decision-making requirements for that Meeting, or is failing to participate in the management and affairs of the Company as required under this Agreement, or breaches any statutory or fiduciary duty owed to the Company or any of the other Restricted Persons; or

1.2.12.2 A Restricted Person who is also an employee of the Company commits an act or fails to act in such a way that the Company has Just Cause for terminating the employment of that person;

And also includes any other situation specifically constituting a "Default" set out elsewhere in this Agreement (if at all). For the purposes of this Agreement, a Default or breach under this Agreement by a Shareholder, or by his appointed Nominee, or by his Appointed Director, or by the Appointed Officer appointed by his Appointed Director, or by that Shareholder's Related Person, shall be deemed to be a Default by all of them.

1.2.13 "**Directors**" shall mean the directors of the Company from time to time as appointed in accordance with the terms of this Agreement (including the Appointed Directors), and "Director" shall mean any one of the Directors.

1.2.14 "**Disability**" with respect to any person shall include:

1.2.14.1 The permanent disability or mental incapacity of the person such that he cannot fulfil his obligations under this Agreement or work full-time as an employee of the Company, or

1.2.14.2 The occurrence of any illness, disability or mental incapacity which has lasted or is likely to last more than six months such that the person cannot fulfil his obligations under this Agreement or work full-time as an employee of the Company.

1.2.15 "**Fair Market Value**" shall mean the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted market between informed and prudent parties acting at Arm's Length and under no compulsion to transact as determined using methodologies and standards approved by The Canadian Institute of Chartered Business Valuators, and taking into consideration the most common and reasonable approaches to business valuation used in the Company's industry, at the time of valuation.

1.2.16 "**Family Member**" shall mean a spouse, common law spouse, parent, descendant by birth or adoption, sibling, or a descendant by birth or adoption of any sibling, of Val, or Anson, as the case may be.

1.2.17 "**GAAP**" means the current accounting principles for privately held corporations whose shareholders require an annual review or audit of the annual financial statements as recommended by the Canadian Institute of Chartered Accountants in the CICA Handbook at the relevant time or in the event that the matter is not covered in the CICA Handbook principles having general acceptance among Canadian accounting professionals at the particular time.

1.2.18 "**Investment**" shall mean all of a Shareholder's shares, options, rights, warrants or other securities in the Company, any sums the Company may owe the Shareholder from time to time for any reason (other than unpaid wages or salaries) including but not limited to unpaid management bonuses, dividends, Shareholder Loans, and all shareholder rights of any kind or any rights under this Agreement or any other investment in the Company of any kind whatsoever, less any monies the Shareholder owes the Company for any reason.

1.2.19 "**Just Cause**" for terminating the employment of a person shall mean just cause as such term is defined, interpreted and applied in the courts of the province of Ontario at the time of termination, including but not limited to wilful insubordination, stealing from the Company or misappropriating Company assets or opportunity.

1.2.20 "**Meetings**" shall have the meaning set out in Article 29, and "Meeting" shall mean any one of the Meetings.

1.2.21 "**Nominee**" shall have the meaning set out in Article 2, and "Nominees" shall mean all of them.

1.2.22 "**Prime Rate**" means the prime lending rate of interest expressed as a rate per annum which the Company bank establishes as the reference rate of interest it will charge at such time for demand loans in Canadian dollars to its Canadian customers and which it refers to as its "prime rate", as the same is adjusted from time to time.

1.2.23 "**Profits**" shall mean all pre-tax profits of the Company, after paying approved salaries, commissions and expenses but before distribution of any management bonuses, corporate taxes or dividends, as determined in accordance with GAAP and subject to Arbitration if necessary.

1.2.24 "**Related Person**" shall mean any "affiliate", "associate", "related person" or "**subsidiary**" of a Shareholder, as those terms are defined in the Act, and "Related Persons" shall mean all of them.

1.2.25 "**Restricted** Person" shall mean all Directors, Appointed Directors, Appointed Officers, Nominees and Shareholders, and "**Restricted Persons**" shall mean all of them.

1.2.26 "**Shareholder**" shall mean Val, Roger or Anson, as well as all other or subsequent shareholders of the Company (including Corporate Shareholders), whether or not they execute or agree to be bound by the terms of this Agreement, and "Shareholders" shall mean all of them.

1.2.27 "**Shareholder Loans**" shall mean any loans or advances to the Company from any Shareholder or Related Person.

1.2.28 **"Simple Majority Vote"** shall mean a decision made, passed or approved by the Directors or Shareholders, as applicable, representing more than 50% of the Voting Rights of all the Directors or Shareholders entitled to vote on the matter in question.

1.2.29 **"Special Majority Vote"** shall mean a decision made, passed or approved by the Directors or Shareholders, as applicable, representing more than two/thirds of the Voting Rights of all the Directors or Shareholders entitled to vote on the matter in question.

1.2.30 "**Transfer**" includes any sale, exchange, transfer, assignment, gift, pledge, encumbrance, hypothecation, alienation, transmission or other transaction, whether voluntary or involuntary or by operation of law, by which the legal or beneficial ownership of, or a security interest or other interest in, all or any part of any Investment passes or could pass from one person to another.

1.2.31 "**Unanimous Vote**" shall mean a decision made, passed or approved by the Directors or Shareholders, as applicable, representing 100% of the Voting Rights of all the Directors or Shareholders entitled to vote on the matter in question.

1.2.32 "**Voting Rights**" of the Shareholders and Directors, as applicable, shall have the meaning set out in Article 0.

Article 2 Nominees for Corporate, Trust and Other Shareholders

2.1 If a Shareholder is a corporation, family trust or other legal entity which is not a biological person (a "**Corporate Shareholder**"), then:

2.1.1 Each Corporate Shareholder shall have a biological person act as the nominee for that Corporate Shareholder who is approved by the Shareholders by Special Majority ("**Nominee**"), or resolved by binding Arbitration if they cannot agree;

2.1.2 Val and Anson have approves and consents to Roger Hwang (hereinafter "Roger") acting as a nominee for Cystal Inc.

2.1.3 Those provisions of this Agreement that can only apply to a biological person (e.g. death, disability, etc.) will apply to the Nominee; and

2.1.4 Those provisions that can apply to both a biological person and a Corporate Shareholder shall apply to the Nominee and the Corporate Shareholder jointly and severally.

2.2 As long as he is alive and mentally competent, Val shall act as the Nominee for any Corporate Shareholder that he or any Related Person to him directly or indirectly controls, or in which he or any Related Person to him has any ownership interest.

2.3 As long as she is alive and mentally competent, Roger shall act as the Nominee for any Corporate Shareholder that he or any Related Person to him directly or indirectly controls, or in which he or any Related Person to him has any ownership interest.

2.4 As long as he is alive and mentally competent, Anson shall act as the Nominee for any Corporate Shareholder that he or any Related Person to him directly or indirectly controls, or in which he or any Related Person to him has any ownership interest.

2.5 Upon the death or mental incapacity of a Nominee, a replacement Nominee will be appointed by the Shareholder in question, subject to approval by the Shareholders by Special Majority including the appointing Shareholder, and binding Arbitration if the appointing Shareholder cannot agree with the Special Majority Shareholders.

2.6 All voting by or on behalf of a Corporate Shareholder shall be by its Nominee.

2.7 If a Corporate Shareholder has any rights to appoint Directors of the Company, one of those Directors must at all times be that Corporate Shareholder's Nominee.

2.8 A Corporate Shareholder shall at all times remain under the Control of the Nominee appointed for that Corporate Shareholder.

2.9 The completion of any transaction or occurrence of any event whereby control of a Corporate Shareholder transfers to a person other than the Nominee appointed for the Corporate Shareholder in accordance with the terms of this Agreement will be deemed to be a "**Transfer**" of its Investment in the Company within the meaning of this Agreement.

Article 3 Unanimous Shareholder Agreement

3.1 This Agreement is unanimous shareholder agreement within the meaning of section 108 of the Act, and shall be binding on all subsequent transferees of any shares of the Company as therein provided for. In the event of any conflict between the terms of this Agreement and the Articles or By-Laws of the Company or Corporate Shareholder, the shareholders in question shall cause such meetings to be held, votes to be cast, resolutions to be passed, documents executed, and other things done as are necessary to amend the applicable Articles and By-Laws to comply with the provisions of this Agreement. Unless the Act specifically provides otherwise, the provisions of this Agreement shall supersede anything to the contrary in the Act. This Agreement supersedes and replaces any previous agreement involving the Company and the Shareholders.

Article 4 Term

4.1 Except as provided for in this Agreement, the term of this Agreement shall commence effective from the date first set out above and shall continue in perpetuity thereafter except that this Agreement shall automatically terminate upon the first occurrence of any one of the following events:

4.1.1 Upon the mutual written agreement of all Shareholders; or

4.1.2 Upon one person becoming the sole beneficial Shareholder of the Company; or

4.1.3 Upon the completion of any winding up or dissolution of the Company pursuant to the provisions of the Act; or

4.1.4 As specifically set out in this Agreement;

Provided that this Agreement shall continue in full force and effect notwithstanding any dissolution of the Company by government or administrative action for any reason whether or not the Company is subsequently revived, or any insolvency, receivership or bankruptcy of the Company.

4.2 Notwithstanding Article 4.1, any provision, term, right or obligation in this Agreement that expressly or implicitly survives termination of this Agreement shall survive any such termination, and shall continue in full force and effect. Further, a termination of this Agreement will not affect or prejudice any rights or obligations that have accrued or arisen under this Agreement prior to the time of termination, and any such rights and obligations will survive the termination of this Agreement.

Article 5 General Obligations of Parties

5.1 All Shareholders, Directors and Nominees agree that:

5.1.1 They will comply with the terms of this Agreement;

5.1.2 They will cause the Company to comply with its obligations under this Agreement;

5.1.3 They will cause such Meetings to be held, votes to be cast, resolutions to be passed, documents executed, and other things done as are necessary to implement this Agreement;

5.1.4 They will comply with all obligations imposed upon them under the Act or at common law; and

5.1.5 They are fiduciaries to the Company and owe the Company fiduciary duties.

5.2 Subject to the terms of this Agreement, each Shareholder represents and warrants to the Company and the other Shareholders that they are (and will continue to be) the sole, absolute, legal and beneficial owners of their Investment, that they own (and will continue to own) such Investment free and clear of all liens, claims, security interests and encumbrances of any kind whatsoever, and that no person has (or will have) the right or option or any right capable of becoming an agreement or option to purchase, acquire or control all or any part of their Investment.

Article 6 The Business of the Company

6.1 The business of the Company shall be limited to the Business of the Company defined in Article 1.2.6.

<u>PART 2 – PERSONAL COMMITMENTS</u>

Article 7 Time Commitment

Article 8 Terms of Employment

8.1 The terms of employment with the Company, including salary and benefits, for all Shareholders, Directors, Nominees and Family Members, shall be determined by the Directors by Unanimous Vote; but shall be no greater than what the Company would pay a person who was not a Shareholder, Director, Nominee or Family Member to do the same job except with Unanimous Vote; and subject to Arbitration if the Directors cannot so agree.

8.2 A Shareholder, Director, Nominee or Family Member may have his or her employment with the Company terminated for Just Cause by Unanimous Vote of all the other Directors if Just Cause exists; provided that whether or not Just Cause exists is a matter that can be subject to binding Arbitration as set out below.

8.3 A Shareholder, Director, Nominee or Family Member may have his or her employment with the Company terminated without Just Cause by Special Majority of all Directors, and subject to binding Arbitration if that threshold cannot be achieved and the Directors wishing to terminate want Arbitration to proceed.

Article 9 Temporary Disability

9.1 In the event a Shareholder, Director or Nominee who is an employee of the Company becomes subject to a temporary mental illness, disability or incapacity which is likely to last less than six months and which does not constitute a Disability, the Company shall continue that person's full salary, compensation and benefits for the lesser of:

9.1.1 Six months from the commencement of the temporary mental illness, disability or incapacity; and

9.1.2 The earliest date that any permanent disability insurance forming part of the Company's employee benefits commences.

Article 10 Non-Competition

10.1 No Restricted Person shall directly or indirectly and in any manner whatsoever compete with the commercial or business activities of the Company in any jurisdiction in which the Company is carrying on business (the "**Territory**") for so long as he is a Restricted Person and for a period of twelve (12) months thereafter, so long as the Company is continuing to carry on business in the ordinary course and has not completed winding up proceedings and is not in bankruptcy or receivership.

Article 11 Non-Solicitation

11.1 For the purposes of this Article 11, the date upon which a Restricted Person ceases to be a Restricted Person shall be referred to as his "**Cessation Date**".

11.2 No Restricted Person shall, for a period of twelve (12) months following his Cessation Date, either individually or in conjunction with any other person, business, corporation or any other entity, either directly or indirectly:

11.2.1 Solicit, attempt to solicit, accept business from, interfere with or endeavour to entice away from the Company any customers of the Company which were customers of the Company at the Cessation Date, with respect to any products or services competitive with those of the Company; or

11.2.2 Solicit, attempt to solicit, accept business from, interfere with or endeavour to entice away from the Company any customers of the Company which were, within the knowledge of the departing Shareholder, Director or Nominee, customers of the Company within the two (2) year period prior to the Cessation Date, with respect to any products or services competitive with those of the Company; or

11.2.3 Solicit, attempt to solicit, accept business from, interfere with or endeavour to entice away from the Company any potential or prospective customers that the Company was actively engaged in soliciting at the Cessation Date, with respect to any products or services competitive with those of the Company; or

11.2.4 Solicit, attempt to solicit, accept business from, interfere with or endeavour to entice away from the Company any customers of the Company with whom the departing Shareholder, Director or Nominee did business, became acquainted with, had dealings with, or learned of during the course of his involvement with the Company, with respect to any products or services competitive with those of the Company; or

11.2.5 Solicit, induce or cause, or attempt to solicit, induce or cause, any of the present or future employees, representatives, contractors, and suppliers of the Company to terminate their relationship with the Company;

Within the Territory as at the Cessation Date, provided that the Company is continuing to carry on business in the ordinary course and has not completed winding up proceedings and is not in bankruptcy or receivership.

Article 12 Confidentiality

12.1 Subject only to Article 37 below, each Restricted Person shall at all times preserve, protect and maintain the confidentiality of the Company's trade secrets and proprietary and confidential information (the "**Confidential Information**"), which Confidential Information shall remain the exclusive property of the Company. Each Restricted Person agrees that they will not, either while they are a Restricted Person, or at any time thereafter, disclose any Confidential Information to any third party other than to the Company or to the employees of, or advisors to, the Company who have a need to know such Confidential Information. No Restricted Person shall, at any time, use any Confidential Information for any purpose whatsoever except for the exclusive benefit of the Company. For the purposes hereof, Confidential Information includes, but is not limited to, information known or used by the Company in connection with its business, including but not limited to any formula, design, prototype, compilation of information, data, program, code, method, technique or process, information relating to any product, device, equipment or machine, information about or relating to Company customers, markets and marketing plans, present and future, information about or relating to the Company's potential business ventures, financial information of all kinds relating to the Company and its activities, all inventions, ideas, and related material.

Article 13 Covenants Reasonable

13.1 It is hereby acknowledged and agreed that all restrictions contained in Article 10, Article 11, and Article 12 herein are reasonable, valid and binding, and necessary in the circumstances in order to protect the economic interests of the Company and the other Shareholders. In the event that a court of competent jurisdiction or an Arbitration panel should adjudge, determine, find, decree or declare any of the covenants contained in Article 10, Article 11, or Article 12 herein to be void or unenforceable in the absence of this Article 13, such covenant(s) shall, without further act of the parties herein, be reduced in duration of time or in scope to such an extent that the said court or Arbitration panel would adjudge, determine, find, decree or declare the same to be enforceable in the circumstances before the court or Arbitration panel, the parties hereby nominating, constituting and appointing the said court or Arbitration panel to so reduce the said covenants in the event that the same is required.

Article 14 Damages Insufficient

14.1 Without limiting the remedies available to the Company or any Shareholder, each Restricted Person acknowledges that damages at law will be an insufficient remedy to the Company and the other Shareholders in view of the irrevocable harm which will be suffered by the Company and the other Shareholders if a Restricted Person violates any of the provisions of Article 10, Article 11, or Article 12 in this Agreement, and it is agreed that the Company or any other Shareholder may apply for and have injunctive relief in any court of competent jurisdiction or from an Arbitration panel to specifically enforce any of such provisions upon the breach or threatened breach thereof, or otherwise specifically to enforce any of such provisions, without having to establish the inadequacy of damages or any other remedy that might be available to them.

Article 15 Inventions

15.1 Each Restricted Person agrees that if he shall develop any product, derivative, concept, process, system or improvement related in any way to the business of the Company of any kind, he shall promptly notify the other Shareholders, Directors or Nominees and shall provide the Company with all necessary information or documentation related thereto without compensation of any kind whatsoever. Each Restricted Person acknowledges that any such product, derivative, concept, process, system or improvement shall become the exclusive property of the Company without compensation or reservation of rights of any kind whatsoever.

Article 16 Secret Payments

16.1 No Restricted Person will accept, pay or offer to pay any bribes, payments or gifts from or to any customer, employee, supplier, contractor or other party with whom the Company does business or by whom the Company is regulated, except for lawful payments made in good faith in the ordinary course of the Company's business. All payments or gifts from or to any customer, employee, supplier, contractor or other party with whom the Company does business or by whom the Company is regulated which are not in good faith in the ordinary course of the Company's business require the Unanimous Vote of all Directors and may not be subject to Arbitration, failing which they will not be made or will be returned.

Article 17 Mutual Indemnification

17.1 The Shareholders agree that any liabilities of the Company which any Restricted Person is required to pay by virtue of the operation of law, the existence of a guarantee or covenant signed by such payor, or the payor's liability as a Director of the Company, shall be shared pro rata between the Shareholders in proportion to the number of participating shares they each hold in the shares of the Company. Each Shareholder agrees to and with the other Shareholders and the Directors to contribute their proportionate share of any such payments made or to be made by a Restricted Person as and when same are legally required. Each Shareholder hereby indemnifies the other Shareholders and saves them harmless from and with respect to, and agrees to reimburse any such payor for, any and all sums representing liabilities of the Company which the payor is required to pay in excess of their proportionate share. Provided that the provisions of this Article will not apply to any liabilities or obligations to be paid by a payor which arose because of the fraud or malfeasance of any payor Restricted Person, or by virtue of any Default.

PART 3 - FINANCING MATTERS

Article 18 Current Shareholders and Stated Capital

18.1 The current Shareholders of the Company are as follows, are the only Shareholders of the Company, and each hold issued, outstanding and fully paid for shares of the Company as follows:

SHAREHOLDER	NUMBER AND CLASS OF SHARES	STATED CAPITAL
Val	45 Class A Common Share	$45.00
Roger	40 Class A Common Share	$40.00
Anson	15 Class A Common Share	$15.00

Article 19 Existing Arrangements

19.1 Notwithstanding anything herein to the contrary, the parties agree each shareholder and director shall have the following voting power, as set out in Article 27 herein:

SHAREHOLDER	NUMBER OF VOTES AS A SHAREHOLDER	NUMBER OF VOTES AS A DIRECTOR
Val	2	2
Roger	2	2
Anson	1	1

Article 20 Shareholder Loans

20.1 The Shareholders have contributed to the financing of the Corporation by way of Shareholder Loans which have been fully advanced and are outstanding as of the date of this Agreement, have been recorded in the books and records of the Corporation, and all of which rank *pari passu*, as follows:

SHAREHOLDER	AGGREGATE PRINCIPAL AMOUNT OUTSTANDING
Val	
Roger	
Anson	

20.2 Unless agreed to by the Directors by Unanimous Vote, or as otherwise expressly set out in this Agreement in writing, all present and future Shareholder Loans (including those outlined above) will be subject to the following:

20.2.1 They will be secured by a general security agreement over all the assets and undertaking of the Company to be held by the Directors in trust for all Shareholders;

20.2.2 They will rank *pari passu*, regardless of when made or when registered under the Ontario *Personal Property Security Act* (or under similar legislation in other jurisdictions);

20.2.3 They will be non-interest bearing as long as each Shareholder has contributed Shareholder Loans equivalent to their proportional share of participating shares in the Company;

20.2.4 If a Shareholder or group of Shareholders has contributed Shareholder Loans in excess of their proportional share of participating shares in the Company they may at their option charge interest on the amount of the differential at the Prime Rate plus 2% per year fluctuating as and when the Prime Rate fluctuates and the Company will pay that interest quarterly in arrears;

20.2.5 Subject to Articles 20.2.7 and 20.2.8, all Shareholder Loans will be repaid at such times and in such amounts as the Directors may determine to be in the best interests of the Company by Special Majority (subject to binding Arbitration if necessary);

20.2.6 All Shareholder Loans will become immediately due and payable upon the earlier of any bankruptcy or receivership of the Company, the completion of any winding up of the Company, or upon the Shareholder in question ceasing to be a Shareholder of the Company for any reason whatsoever; and

20.2.7 All Shareholder Loans will be repaid (when payments are made) pro rata based upon the then current principal balance outstanding for each Shareholder Loan as long as each Shareholder has contributed Shareholder Loans equivalent to their proportional share of participating shares in the Company; and

20.2.8 If a Shareholder or group of Shareholders has contributed Shareholder Loans in excess of their proportional share of participating shares in the Company then the amount of that differential shall be repaid pro rata based on that differential prior to repayment of Shareholder Loans in accordance with Article 20.2.7.

20.3 Notwithstanding Article 20.1 above, Roger has or shall provide to the financing of the Company the following funds:

(i) Roger shall provide seed capital in the amount of $400,000.00 to the Company on incorporation. These funds are not to be regarded as a loan or otherwise as indebtedness of the Company to Roger .

(ii) Roger further agrees to facilitate the Company to borrow from his existing line of credit. The Company shall only pay interest during the second year. In the event that such funds become depleted, the line of credit shall be paid by the following in the following order;

1. Company by liquidating all its assets including but not limited to cash on hand, any monies in company accounts, inventory and/or any assets;

2. Roger to repay the outstanding amount after the Company has applied all assets available to the repayment of the line of credit;.

(iii) The other shareholders shall not be personally liable for the company's finance.

Article 21 Future Financing and Personal Guarantees

21.1 All future financing of the Company will be funded by profits of the Company or third party lenders to the extent such third party financing is available upon commercially reasonable terms, as approved by the Directors by Special Majority.

21.2 No Shareholder, Director or Nominee shall be required to contribute any additional monies or financing to the Company, or to provide any guarantees, sureties, indemnities or collateral security for the liabilities, obligations or borrowing of the Company, or to participate in any future or further Shareholder Loans or securities offerings.

21.3 If a Shareholder, Director or Nominee provides any guarantees, sureties, indemnities or collateral security for the liabilities, obligations or borrowing of the Company in an amount or nature that is disproportionate to what the other Shareholders, Directors or Nominees provide for the same Company obligation as based on proportionate ownership of participating shares, the Shareholder, Director or Nominee whose exposure is disproportionate may at his or her option charge the Company a surety fee equal to 1% per year of the principal amount of his or her disproportionate exposure for so long as the differential exists and the Company will pay that fee annually in arrears.

Article 22 Participation Rights

22.1 If the Company elects by Special Majority Vote of the Directors to further finance the Company (i) through additional Shareholder Loans, or (ii) by offering to sell shares or securities of the Company to Shareholders from Company treasury ("**Shareholder Financing**"), all Shareholders shall have the option but not the obligation to participate in such Shareholder Financing pro rata per participating common share they have in the Company ("**Participation Rights**"). If any Shareholder chooses not to participate in such Shareholder Financing to the full extent of his or her Participation Rights, the remaining

Shareholders may take up the unsubscribed portion of such Participation Rights pro rata per participating common share of the remaining Shareholders who wish to further participate.

PART 4 – DECISION-MAKING

Article 23 Shareholders Shall Vote Their Own Shares

23.1 Each Shareholder (or each appointed Nominee on behalf of a Corporate Shareholder) shall personally execute all their Voting Rights as Shareholders of the Company (as set out in Article 27 herein) as long as they are legally, mentally and physically capable of doing so; provided that a Shareholder or Nominee may, by written proxy or power of attorney, appoint another to stand in his place during any time when the Shareholder or Nominee is unable to be present at any Meeting of Shareholders but for the purpose of that Meeting only.

Article 24 Distribution of Profits

24.1 Subject to payment of corporate income taxes, Profits will be distributed to the Shareholders, at such times, in such amounts and in such manner (e.g. management bonus, additional salary, dividends) as the Directors determine from time to time by Special Majority, provided that such Profits will be shared between the Shareholders in proportion to the number of participating shares they hold in the Company.

Article 25 Appointment of Directors

25.1 The affairs of the Company shall be managed by its Directors.

25.2 Each Shareholder shall be entitled to appoint one (1) Director ("**Appointed Director**").

25.3 In addition to the Appointed Directors, the Shareholders may appoint, remove or replace additional Directors by Unanimous Vote; provided that any dispute over the removal of a Director may be subject to Arbitration if they cannot agree.

25.4 Notwithstanding Article 25.1, as long as they are legally, mentally and physically capable of doing so, each of Val, Roger and Anson shall act as his or her own Appointed Director and shall also act as the Appointed Director for his or her Related Shareholder as long as their Related Shareholder has any Investment in the Company.

25.5 An Appointed Director may, by written proxy or power of attorney, appoint another to stand in his or her place during any time when the stated person is unable to be present at any Meeting of Directors but for the purpose of that Meeting only, subject to the other terms of this Agreement.

25.6 All Shareholders agree to collectively vote their shares as and when required to elect Directors in accordance with the appointment rights of other Shareholders as set out above.

25.7 The only Directors of the Company as of the date of this Agreement are Val, Roger and Anson.

Article 26 Appointment of Officers

26.1 Officers for the Company will be determined by the Directors by Special Majority Vote.

26.2 Notwithstanding anything in this Agreement to the contrary, each Appointed Director shall be entitled to appoint one officer for the Company at their option from time to time ("**Appointed Officer**").

26.3 As long as they are legally, mentally and physically capable of doing so, each of Val, Roger and Anson shall act as their own Appointed Officer.

26.4 The only officers of the Company as of the date of this Agreement are, and will continue to be, subject to approved changes determined by the Directors by Special Majority, as follows:

Name	Title
Val	Chief Executive Officer
Roger by it is nominee Roger	Chief Financial Officer
Anson	Chief Operating Officer

Article 27 Voting Rights and Decision Making

27.1 The voting rights that apply to any decision of the Shareholders and Directors, as applicable (the "**Voting Rights**"), shall be as follows:

27.1.1 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of shareholders;

27.1.2 Notwithstanding the number of shares held in the Company, Val shall have two votes, Roger shall have two votes and Anson shall have one vote on any matter requiring a vote of Directors;

27.1.3 A Shareholder, Nominee or Director in Default hereunder shall not be entitled to have any voting rights unless and until they have permanently cured that Default.

27.2 Except as otherwise expressly set out in this Agreement, if at all:

27.2.1 The power and authority of the Shareholders and Directors are modified and amended as set out in this Agreement;

27.2.2 All decisions of Directors will be decided by Special Majority Vote, with each Director having the Voting Rights for such Director as set out in Article 0;

27.2.3 All decisions of Shareholders will be decided by Special Majority Vote, with each Shareholder having the Voting Rights for such Shareholder as set out in Article 0;

27.2.4 The officers shall have such powers and authority as accorded to them by this Agreement, the Act and the by-laws of the Company, and as may be accorded to them from time to time by the Directors in accordance with the terms of this Agreement;

27.2.5 All decisions of officers of the Company are subject to change or amendment at the discretion of the Directors by Special Majority Vote; and

27.2.6 None of the decisions of or disagreements between the Shareholders or Directors are subject to Arbitration, except as expressly set out in this Agreement in writing.

Article 28 Matters Requiring Unanimous Approval

28.1 Notwithstanding the foregoing, and except as expressly permitted (i) under Part 5 below or (ii) elsewhere in this Agreement, the following matters require Unanimous Vote approval of the Appointed Directors or the Shareholders:

28.1.1 The payment of any monies to any Shareholder, Nominee, Director, Officer or Family Member for services provided to the Company, save and except for reasonable salaries and wages consistent with past practices, and reimbursement of any Company expenses incurred by such persons;

28.1.2 The purchase, sale or lease by the Company of any real property, other than Company premises for the day-to-day operation of the business of the Company;

28.1.3 Any transaction not in the ordinary course of the Company's business;

28.1.4 The issuance of any further shares, rights, options, warrants or securities of any kind by the Company;

28.1.5 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company;

28.1.6 The amalgamation of the Company with any other corporation;

28.1.7 Any sale in bulk or sale outside the ordinary course of business of Company assets, any sale of all or substantially all of the assets of the Company, or any winding up of the Company;

28.1.8 Any amendment to the existing by-laws of the Company or the passing of any new by-laws;

28.1.9 Any amendment of the Articles of the Company;

28.1.10 Any amendment to this Agreement;

28.1.11 Such other matters as require Unanimous Vote approval under this Agreement;

28.1.12 Any transaction not in the ordinary course of the Company's business; and

28.1.13 The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company.

Article 29 Meetings

29.1 The following provisions apply to any Shareholder or Director meetings ("**Meetings**"):

29.1.1 Shareholders and Directors shall meet as and when required by the Act, the by-laws or the Company or this Agreement;

29.1.2 Shareholders or Directors not in Default, as applicable, representing a Special Majority, must be present for there to be a quorum, subject to any proxy or nominee rights provided for in this Agreement;

29.1.3 The chairman of any Meeting shall not have or be entitled to a second, extra or casting vote at any such Meeting;

29.1.4 Meetings may be dispensed with if all required attendees agree, or all required attendees are polled and their votes or views are collected and exchanged by mutual agreement or other form of recorded vote;

29.1.5 Meetings may be dispensed with if all required attendees execute a written resolution of the business transaction at the Meeting;

29.1.6 Telefaxed, portable document format, tagged image file, and counterpart Shareholder and Director agreements or resolutions shall be valid and binding;

29.1.7 Meetings can be held via conference call, video conference or on-line conferencing;

29.1.8 Any Shareholder, Nominee or Director not in Default may call a Meeting on ten Business Days prior written notice, which notice shall include an agenda of the matters to be discussed;

29.1.9 Required attendees shall be required to attend Meetings duly called pursuant to the terms of this Agreement or the by-laws of the Company, unless unable to attend in person, in which case they shall nominate and send a proxy or nominee as set out above; and

29.1.10 Refusal by a Shareholder, Nominee or Director to attend a Meeting for the purpose of frustrating the conduct of business at that Meeting, shall be considered a Default of their obligations under this Agreement, shall be deemed to create a Deadlock, and shall entitle the other Shareholders to immediately institute such proceedings to break the Deadlock or enforce their Default rights as are permitted or available under this Agreement and the Act, provided that the provisions of this Agreement shall take priority over any conflicting remedies available under the Act.

Article 30 Dispute Resolution - General Principles

30.1 The Shareholders, Directors and Nominees recognize that issues may arise between them that they may disagree upon, and which cannot be resolved by the Voting Rights set out in this Agreement. The Shareholders, Directors and Nominees therefore agree that the following general principles shall apply in such an eventuality:

30.1.1 If there is an issue or dispute between the Shareholders, Directors or Nominees (as applicable) which cannot be resolved by the Voting Rights set out in this Agreement, or if there is a Deadlock, the parties shall meet within ten (10) Business Days of the dispute arising to work together in good faith to try and resolve the differences in question before taking any further action under this Agreement (the "**Settlement Meeting**"). The Company accountant and Company lawyer may be asked by any party to attend the Settlement Meeting as facilitators.

30.1.2 If the parties are unable to resolve their differences at the Settlement Meeting, then:

30.1.2.1 If the issue is one which is the proper subject matter of Arbitration as set out in this Agreement, or if all parties agree unanimously to arbitrate a solution to the issue, then the Arbitration provisions set out in Article 31 of this Agreement may be resorted to; or

30.1.2.2 If the issue is one that cannot be the subject of Arbitration as set out in this Agreement, and the parties do not unanimously agree to arbitrate a solution to the issue, then the parties may resort to the provisions of Article 33 the extent they are available and as they feel appropriate.

Article 31 Arbitration

31.1 Subject to Article 31.2, the following provisions apply to any arbitration proceeding under this Agreement ("**Arbitration**"): The party requesting Arbitration shall give five Business Days prior written notice thereof to the other parties involved, including notice of the issues they wish to submit to Arbitration. If the issue is not resolved within that notice period, the parties will proceed with binding arbitration in accordance with the laws of the province of Ontario and the then current Rules of Procedure for Commercial Arbitration of the ADR Institute of Canada, Inc. (www.amic.org) ("**Institute**"). Unless the parties unanimously agree otherwise, the arbitration tribunal shall consist of three independent arbitrators with expertise in the subject matter of the dispute, chosen by the parties from a slate of eight arbitrators proposed by the Institute. If the parties are unable to agree on all three arbitrators within five Business Days after receipt of the slate provided by the Institute, the Institute shall appoint from the slate the number of arbitrators the parties have been unable to agree upon. The decision of the tribunal shall be final and binding and no appeal shall lie therefrom. The tribunal shall have the power to order one party to contribute to the reasonable costs and expenses of the other party, or to pay all or any portion of the costs of the arbitration, as the panel determines in its discretion. The Arbitration shall take place in such place or places as the arbitrators shall determine by majority vote. The parties shall initially equally pay for the retainer, costs and expenses of the Arbitration panel; provided that the Arbitration panel shall be empowered to allocate the costs of the Arbitration, including the parties' reasonable costs of the Arbitration, between the parties in such proportions as the panel sees fit following a final decision. All decisions arrived at by the Arbitration panel shall be by simple majority vote, shall be final and binding on all parties and no appeal shall lie therefrom. The Arbitration panel shall be entitled to determine the manner, timing and length of all submissions. The Arbitration panel shall be requested to hear submissions and render their decision in writing within twenty (20) Business Days from the date of their appointment, and all parties shall co-operate with the Arbitration panel in that regard. The Arbitration panel shall not be required to apportion blame or fault or provide reasons for its determination, which shall be a matter left to its discretion.

31.2 If the dispute in question is over the value or Fair Market Value of the Company, or the shares in the Company, or the assets of the Company, or Shareholder Loans, or Investment, then the following additional provisions shall apply to the Arbitration:

31.2.1 The arbitrators chosen by the parties or appointed as set out above shall be qualified Chartered Accountants or Chartered Business Valuators in good standing with their respective institutes;

31.2.2 As part of his submission, each party to the Arbitration shall submit a valuation report prepared by a Chartered Accountant or Chartered Business Valuator of his own choosing and acting on their behalf, with such valuation reports submitted to the arbitrator and the other parties to the proceeding at least five Business Days prior to any hearing date;

31.2.3 All parties and their valuators shall be entitled to have equal access to Company employees, officers, Directors and financial records for the purpose of doing their due diligence; and

31.2.4 If, as a result of the Arbitration, the arbitrated purchase price for any Investment is more than 1.2 times what the party who is the buyer in the transaction ("**Buyer**") submitted to the Arbitration proceeding, then the transaction will be conditional for fifteen Business Days following the issuance of the Arbitration award upon the Buyer arranging financing to complete the transaction upon terms satisfactory to the Buyer in his absolute discretion; unless the Buyer waives this financing condition on or before 11:00 p.m. on the fifteenth Business Day following the issuance of the Arbitration award, then the transaction in question shall be deemed to be terminated; provided that the provisions of this Article 31.2.4 do not apply to transactions under Article 38 (Sale of the Whole Company), or Article 39 (Shotgun Buy Sell Provision) or Article 44 (Death or Disability).

Article 32 Interaction with Oppression Remedy and other Court Remedies

32.1 The existence of the Arbitration provisions set out in Article 31 shall in no way lessen or derogate from the rights of the Shareholders or Directors to apply to a court of competent jurisdiction (or commence any legal action in such court) for interim and other relief under section 248 of the Act and any successor provisions, except that in hearing such matters and in granting relief thereunder the court shall be asked to respect and implement the dispute resolution mechanisms set out in this Agreement as much as possible and to the extent it is appropriate do so in the circumstances. In addition, the existence of the Arbitration provisions in this Agreement shall in no way lessen or derogate from the rights of the Company or any Shareholder or Director to apply to a court of competent jurisdiction (or commence any legal action in such court) for interim and other relief (including damages) to enforce the provisions of Article 10, Article 11, or Article 12 in this Agreement.

Article 33 The Mechanism for Ending Deadlock If Arbitration is not Permitted

33.1 If the dispute in question is one that cannot be resolved by the voting mechanisms set out above and Arbitration is not permitted, then any dissatisfied party may resort to any of the available liquidation or exit strategies set out in Part 5 below.

PART 5 – LIQUIDITY AND EXIT STRATEGIES

Article 34 No Transfer Without Special Majority Approval

34.1 No additional shares or securities of the Company will be authorized or issued by the Company to existing or new Shareholders, and no Shareholder shall Transfer or agree to Transfer all or any of his Investment to any existing or new Shareholder or to any other person, and no sale of the assets of the Company in bulk or outside the ordinary course of business will be authorized, except (i) with the Special Majority of the Directors or (ii) as expressly permitted under this Agreement, which shall not be a matter which can be the subject of Arbitration. Without limited the generality of the foregoing, and subject to the terms of this Agreement, an unauthorized Transfer of an Investment by a Shareholder shall be considered a Default.

Article 35 Estate Planning

35.1 Notwithstanding anything in this Agreement to the contrary, any Shareholder may Transfer all of his Investment to a corporation or family trust Controlled by a Nominee for tax planning or estate planning purposes without requiring the approval of the Directors or Shareholders, in which case both the transferor and the transferee will be deemed to be bound by the terms of this Agreement, with all necessary changes, and the transferor and the transferee will enter into written confirmation of same prior to any such Transfer being presented to the Directors, and the provisions of Article 2 will apply.

Article 36 Share Certificates Will Be Held In Escrow

36.1 All share certificates shall have a notation printed thereon that they are subject to restrictions on transfer and are subject to the terms of this unanimous shareholders' agreement. All share certificates shall remain in the possession of the Company lawyer who shall hold same in escrow and subject to the lawful direction of the parties hereto in accordance with this Agreement or court order on notice to all Shareholders.

Article 37 Soliciting of Offers

37.1 Unless another sale mechanism permitted by this Agreement is then proceeding, a Shareholder may at any time solicit or entertain any offers to purchase or sell all of the shares in the Company (including all Investment held by all Shareholders), or any offers to purchase or sell all or substantially all of the assets of the Company, or engage in any negotiations in that regard (collectively "**Solicitation**"), but he shall not provide or disclose any Company financial information, trade secrets or Confidential Information for the purpose of a Solicitation unless:

37.1.1 He has provided at least two Business Days prior written notice to the other Shareholders, including the nature of the Solicitation, the parties involved, and details of the information to be disclosed;

37.1.2 He has entered into a written Non-Disclosure and Confidentiality Agreement with the other parties to the Solicitation on behalf of the Company and all Shareholders and on terms satisfactory to the Company lawyer, and has provided a copy to the other Shareholders; and

37.1.3 He has limited his written disclosure to financial statements approved by the other Shareholders.

Provided that there shall be no Solicitation during the twenty-four months following incorporation of the Company except by a Shareholder who is not in Default hereunder and only if another Shareholder is in Default and notice of that Default has been provided to it.

Article 38 Sale of the Whole Company

38.1 No Buyout Offer under this Article 38 can be entertained, considered or accepted by a Selling Shareholder during the twenty-four months incorporation of the Company unless the Receiving Shareholder is in Default and notice of that Default has been provided to it in writing.

38.2 Unless another sale mechanism permitted by this Agreement is then proceeding, if a Shareholder or Shareholders representing a Special Majority Vote bloc ("**Selling Shareholder**") receives an offer to purchase all of the shares or securities in the Company including all Investment held by all Shareholders, or all of the operating assets and undertaking of the Company, from a good faith, third party buyer dealing at Arm's Length with the Selling Shareholder (a "**Buyout Offer**"), where the Investment and interests of all Shareholders are dealt with in an identical manner, which the Selling Shareholder is willing to accept, he shall then provide a copy of the Buyout Offer and any and all other necessary documents or particulars to the other Shareholder (the "**Receiving Shareholder**") to allow him a reasonable opportunity to assess the Buyout Offer ("**Disclosure**"). The Receiving Shareholder shall have twenty Business Days from receipt of the Disclosure to elect one of the following three options in writing:

38.2.1 If the Buyout Offer is a share purchase offer, to acquire the Investment of the Selling Shareholder upon the same terms set out in the Buyout Offer, with all necessary changes; or

38.2.2 If the Buyout Offer is an asset purchase offer, to acquire the Investment of the Selling Shareholder upon terms which would produce the same after-tax outcome for the Selling Shareholder that would have been produce by the completion of the Buyout Offer, subject to Arbitration under this Agreement if the parties cannot agree; or

38.2.3 To consent to the terms set out in the Buyout Offer;

Provided that:

38.2.4 If any of the Receiving Shareholders do not respond within the time set out above, they will be deemed to have consented to the terms set out in the Buyout Offer;

38.2.5 All Receiving Shareholders who elect to proceed with the applicable option contained in Article 38.2.1 or Article 38.2.2 shall be entitled to participate in the purchase of the Investment of the Selling Shareholder pro rata in accordance with the number of participating shares of the Company they hold at the time; provided that if any of the Receiving Shareholders exercise the applicable option in Article 38.2.1 or Article 38.2.2, and there are one or more Receiving Shareholders who exercise (or are deemed to exercise) the option in Article 38.2.3, then the latter will be treated as a Selling Shareholder for the purposes of this Article and his Investment will be purchased by the Receiving Shareholders who elect the applicable option in Article 38.2.1 or Article 38.2.2;

38.2.6 Any extension of the closing date set out in the Buyout Offer, or any variation in the price, consideration or financing terms in the Buyout Offer, or any substantive change to a material term of the Buyout Offer, will be deemed to constitute a new Buyout Offer which must be submitted to the Receiving Shareholders as set out above; and

38.2.7 The non-competition, non-solicitation and other personal obligations (if any) contained in the Buyout Offer can be no more onerous than the obligations then imposed upon the Shareholders by this Agreement.

Article 39 Shotgun Buy-Sell Provision

39.1 No Offer under this Article 39 can be issued by a Offeror during the twenty-four months incorporation of the Company unless the Offeree is in Default and notice of that Default has been provided to it in writing.

39.2 Unless another sale mechanism permitted by this Agreement is then proceeding, any Shareholder or group of Shareholders who are not in Default (both individually and collectively referred to herein as the "**Offeror**") may, at any time, make a written and irrevocable Offer (the "**Offer**") to all other Shareholders (the "**Offeree**"), which Offer shall contain only the following: (a) the price at which the Offeror will purchase the Offeree's shares in the Company; (b) the number of cents on the dollar at which the Offeror will purchase the Offeree's Shareholder Loans or other sums owing by the Company to the Offeree; (c) an unconditional offer to purchase all and not less than all of the Investment owned by the Offeree in the Company at the said price; (c) an unconditional offer to sell to the Offeree all but not less than all of the Investment owned by the Offeror in the Company at the said price; and (d) the proposed payment terms for the purchase price. Upon such an Offer being received by the Offeree, the Shareholders and Directors shall not do or cause to be done or permit to be done by the Company anything except in the ordinary and usual course of business of the Company.

39.3 The Offeree shall, within fifteen Business Days of the date on which the Offer is delivered, elect to either:

(a) Accept the Offer made by the Offeror to purchase all the Investment of the Offeree at the price and upon the terms contained in the Offer, by an acceptance in writing executed by the Offeree, in which event the Offeree shall be bound to sell all of the Offeree's Investment to the Offeror at the price and upon the terms contained in the Offer; or

(b) Accept the Offer made by the Offeror to sell all of the Offeror's Investment by a notification in writing executed by the Offeree, in which event the Offeree shall be bound to purchase from the Offeror all of the Offeror's Investment at the price and upon the terms contained in the Offer.

39.4 An Offer made pursuant to this Article must be delivered by personal service to the Offeree, and a copy mailed or delivered to the Company's solicitor, and must be accompanied by a certified cheque drawn in favour of the Company's solicitor in trust as a deposit, in an amount equal to ten per cent (10%) of the total purchase price offered for the Investment of the Offeree, to be credited on account of the total purchase price, or to be returned without deduction in the event the Offeree elects to purchase the Investment of the Offeror, in which case the Offeree shall deliver in its place his certified cheque drawn in favour of the Company's solicitor in trust as a deposit in an amount equal to ten per cent (10%) of the total purchase price for all the Investment of the Offeror. The funds so received in trust as a deposit shall be applied against the purchase price and shall be delivered on closing. If the purchaser fails to complete the purchase, the vendor may elect to retain such deposit as liquidated damages and not as a penalty and without prejudice to any other rights or remedies of the vendor at law.

39.5 In the event the Offeree fails or refuses to deliver an acceptance either under Article 39.3 (a) or (b) within the time limit prescribed for such communication, the Offeree shall be deemed to have communicated to the Offeror an acceptance of the Offer made by the Offeror to purchase all the Investment of the Offeree at the price and upon the terms contained in the Offer under Article 39.3 (a).

39.6 Upon the formation of a contract by an acceptance or deemed acceptance of the Offer to purchase all the shares of the Offeree under Article 39.3 (a), the Offeror, as purchaser, shall purchase from the Offeree and the Offeree, as vendor, shall convey, transfer and assign to the Offeror all of the Investment of the Offeree, at and for the price set out in the Offer and under the terms set out therein and in this Agreement.

39.7 Upon the formation of a contract by an acceptance of the Offer to purchase all of the shares of the Offeror under Article 39.3 (b), the Offeree, as purchaser, shall purchase from the Offeror and the Offeror, as vendor, shall convey, transfer and assign to the Offeree all the Investment of the Offeror at and for the price set out in the Offer and under the terms set out therein and in this Agreement.

39.8 In the event that there is more than one purchaser, the purchasers shall acquire the shares of the vendor in the ratio that their respective holdings of fully participating shares of the Company then bear to each other.

39.9 The completion of the transaction pursuant to this Article shall be at any time mutually agreed upon by the parties within twenty Business Days of the formation of a contract hereunder. The completion of the transaction shall take place at the offices of the Company's solicitors on the day specified for the closing.

39.10 If, on the day of closing, the vendor or his Nominee or Director is indebted to the Company for any reason, the purchaser shall be entitled to pay, satisfy and discharge all or any portion of such indebtedness and shall receive credit against the purchase price for the amount so paid. If the parties cannot agree on the amount of such debt owed to the Company under this Article 39.10, the decision of the Company accountant shall be final and binding, and there shall be no recourse to Arbitration; provided that if there is no Company accountant, or the Company accountant is unwilling to make a decision, then the amount of such debt will be subject to Arbitration. Notwithstanding anything contained in this Article 39.10, the closing of the transaction shall proceed and be completed in accordance with the terms of Article 39.9, regardless of any delays, disputes or Arbitration over the amount owed to the Company under this Article 39.10.

Article 40 Voluntary Withdrawal

40.1 No Shareholder may issue the withdrawal process under this Article 40 during the twenty-four months incorporation of the Company unless the other Shareholders are in Default and notice of that Default has been provided to them in writing.

40.2 Unless another sale mechanism permitted by this Agreement is then proceeding, if a Shareholder ("**Selling Shareholder**") wishes to withdraw from the Company, the Selling Shareholder shall provide one month's prior written notice to all Directors and all other Shareholders, and the parties will proceed as follows:

40.2.1 The Shareholders shall meet within ten (10) Business Days after the expiry of the one month's notice to work together in good faith to try to agree to the terms of a transaction whereby the all or some of the other Shareholders acquire all the Investment of the Selling Shareholder on terms they shall all agree upon. The Company accountant and Company lawyer may be asked by any Shareholder to attend the Settlement Meeting as facilitators.

40.2.2 If the parties are unable to agree on the terms of a transaction within the said ten (10) Business Days or such extended time as they all may agree upon, and if the Selling Shareholder holds one-third or less of all the issued and outstanding common shares of the Company, the other Shareholders shall:

40.2.2.1 Acquire the Investment of the Selling Shareholder for 90% of the Fair Market Value thereof as determined by Arbitration if necessary; provided that the purchasing Shareholders may elect to pay the purchase price for the Investment being purchased upon by way of thirty-six equal monthly payments without interest for the balance due on closing commencing on the first day of the first complete month following closing, and on the first day of each month thereafter, which closing shall take place fifteen Business Days following the determination of the purchase price; and the other Shareholders shall be participate in the purchase of the Investment of the Selling Shareholder pro rata in accordance with the number of participating shares of the Company they hold at the time; or

40.2.2.2 Sell the Investment of the Selling Shareholder to a third party upon the same price and terms as set out in Article 40.2.2.1;

As the other Shareholders may elect by Unanimous Vote and subject to Arbitration if they cannot agree;

Provided that the other Shareholders shall be deemed to be appointed the attorney of the Selling Shareholder for the purpose of completing any such transaction.

40.2.3 If the parties are unable to agree on the terms of a transaction within the said ten (10) Business Days or such extended time as they all may agree upon, and if the Selling Shareholder holds more than one-third of all the issued and outstanding participating shares of the Company, the Selling Shareholder shall not be entitled to continue with his planned withdrawal under this Article without prejudice to any rights or remedies he may have under this Agreement.

Article 41 Forced Withdrawal

41.1 Unless another sale mechanism permitted by this Agreement is then proceeding, if a Shareholder or Group of Shareholders representing a Special Majority Voting bloc ("**Forcing Shareholder**") wishes to cause another Shareholder ("**Selling Shareholder**") to sell their Investment and withdraw from the Company, the Forcing Shareholder shall provide one month's prior written notice to all Directors and all other Shareholders, and the parties will proceed as follows:

41.1.1 The Shareholders shall meet within ten (10) Business Days after the expiry of the one month's notice to work together in good faith to try to agree to the terms of a transaction whereby the all or some of the other Shareholders acquire all the Investment of the Selling Shareholder on terms they shall all agree upon. The Company accountant and Company lawyer may be asked by any Shareholder to attend the Settlement Meeting as facilitators.

41.1.2 If the parties are unable to agree on the terms of a transaction within the said ten (10) Business Days or such extended time as they all may agree upon, the Forcing Shareholder shall:

41.1.3 Acquire the Investment of the Selling Shareholder for 100% of the Fair Market Value thereof as determined by Arbitration if necessary; provided that the purchasing Shareholders may elect to pay the purchase price for the Investment being purchased upon by way of (i) 1/3rd of the Purchase Price payable in full on closing, and (ii) the balance of the Purchase Price paid in twenty-four equal monthly payments with interest at the Prime Rate plus 3% per year fluctuating as and when the Prime Rate fluctuates commencing on the first day of the first complete month following closing, and on the first day of each month thereafter, which closing shall take place fifteen Business Days following the determination of the purchase price; provided that all other Shareholders shall be entitled at their option to participate in the purchase of the Investment of the Selling Shareholder pro rata in accordance with the number of participating shares of the Company they hold at the time of Closing; or

41.1.4 Subject to the Special Majority approval of the Directors other than the Appointed Director of the Selling Shareholder, sell the Investment of the Selling Shareholder to a third party upon the same price and terms as set out in Article 40.2.2.1;

Provided that the Forcing Shareholder shall be deemed to be appointed the attorney of the Selling Shareholder for the purpose of completing any such transaction.

41.2 No Forcing Shareholder may exercise the force-out option set forth in this Article before the Commitment Date, unless the Selling Shareholder is in Default.

Article 42 Piggyback

42.1 Notwithstanding anything herein to the contrary, and in addition to any other options or rights set out above, if a Shareholder agrees to Transfer all or any part of his Shares and as a result of that transaction any person other than an existing Shareholder acquires or will acquire Control of the Company (the "**Selling Shareholder**" and "**New Majority**" respectively) then:

42.1.1 The Selling Shareholder and the New Majority shall at least one month prior to closing provide a complete copy of the executed agreements required to implement the transaction in question to all the Directors and the remaining Shareholders (the "**Minority Shareholders**" and "**Disclosure**"); and

42.1.2 The Minority Shareholders will have the option of requiring the New Majority to purchase all of the Minority Shareholders' Investment in the Company upon the same price and terms as the New Majority is paying the Selling Shareholder (the "**Piggyback**").

Any Piggyback right must be exercised by the Minority Shareholders by written notice to the Selling Shareholder and the New Majority within ten Business Days of their receipt of the Disclosure with respect to the transaction in question. Any Piggyback transaction will close at the same time as the transaction which creates the New Majority.

Article 43 Rights Upon Default

43.1 Should a Shareholder Default (or be deemed to be in Default) under the terms of this Agreement as that term is defined above or elsewhere in this Agreement (the "**Defaulting Shareholder**") (which Default is not a matter provided for in Article 44 or Article 45, and should that Defaulting Shareholder remain in Default after ten (10) Business Days prior written notice from any other Shareholder not in Default including particulars of the Default complained of an a demand for rectification of same and notice that the terms of this Article 43 will be exercised if the Default in question is not rectified within the notice period, then all of the other Shareholders not in Default (the "**Non-Defaulting Shareholders**") may at any time while that Default continues elect in writing by Simple Majority Vote (not including the shares or Voting Rights of the Defaulting Shareholder) to:

43.1.1 Acquire or have the Company acquire the Investment of the Defaulting Shareholder for 50% of the Fair Market Value thereof as determined by Arbitration if necessary; provided that the purchasing Shareholders may elect to pay the purchase price for the Investment being purchased upon terms equal to 10% on closing and thirty-six equal monthly payments without interest for the balance due on closing commencing on the first day of the first complete month following closing, and on the first day of each month thereafter, which closing shall take place fifteen Business Days following the determination of the purchase price; and the Non-Defaulting Shareholders shall be entitled to participate in the purchase of the Investment of the Defaulting Shareholder pro rata in accordance with the number of participating shares of the Company they hold at the time; or

43.1.2 Sell the Investment of the Defaulting Shareholder to a third party upon the same price and terms as set out in Article 43.1.1;

43.1.3 Have the Company wound up and its remaining assets liquidated in accordance with the winding up provisions in the Act;

Provided that the Non-Defaulting Shareholders shall be deemed to be appointed the attorney of the Defaulting Shareholder for the purpose of completing any such transaction.

43.2 Notwithstanding Article 43.1, nothing in this Article shall in any way prevent the Non-Defaulting Shareholders (or any of them) from exercising such other or additional rights and remedies as are available to the Non-Defaulting Shareholders under this Agreement, the Act or at law in the event of a Default by the Defaulting Shareholder.

Article 44 Death or Disability

44.1 Upon the death or Disability of a Shareholder or Nominee (as the case may be), the other Shareholders (collectively, the "**Surviving Shareholders**") shall have the following two options, which must be exercised by written notice to all other Shareholders within four months after the death or Disability in question:

44.1.1 To buy all of the Investment of the deceased or disabled Shareholder (collectively, the "**Deceased/Disabled Shareholder**") upon the following terms and conditions:

44.1.1.1 The purchase price shall be 100% of the Fair Market Value of the Investment of the Deceased/Disabled Shareholder as determined by Arbitration or mutual agreement of the parties;

44.1.2 The purchasers may elect to pay the purchase price for the Investment upon terms equal to 10% on closing and thirty-six equal monthly payments without interest for the balance due on closing commencing on the first day of the first complete month following closing, and on the first day of each month thereafter; provided that if the Purchase Price is less than $50,000.00 the purchase price will be paid in full on Closing, and if the Purchase Price is more than $250,000.00 the balance of the purchase price will be paid over sixty equal monthly payments without interest instead of thirty-six months;

44.1.2.1 Closing shall take place fifteen Business Days following the determination of the purchase price for the Deceased/Disabled Shareholder's Investment; and

44.1.2.2 Provided that the Company President shall be deemed to be appointed the attorney of the Deceased/Disabled Shareholder for the purpose of completing any such transaction.

44.1.3 To require that the Company be wound up with its assets liquidated, debts paid and any surplus funds delivered to the Shareholders in accordance with their respective shareholdings;

44.1.4 If the Surviving Shareholders fail to make any election within the four months in question, they will be deemed to have exercised their option to purchase the Investment of the Deceased/Disabled Shareholder as provided for in Article 44.1.1;

44.1.5 If some Surviving Shareholders exercise the option to purchase ("**Buying Shareholders**") and some exercise the option to wind up ("**Dissenting Shareholders**"), the decision of the Buying Shareholders to exercise the option to purchase will prevail and they will but the Investment of the Dissenting Shareholders and the Dissenting Shareholders will sell their Investment to the Buying Shareholders on the same terms as set out in Article 44.1.1; and

44.1.6 If more than one Surviving Shareholder wishes to exercise the option to buy, all those Surviving Shareholders that wish to exercise the option to buy shall participate in the purchase of the Investment in question pro rata in accordance with the number of participating shares of the Company they hold at the time.

44.2 If the Shareholders arrange for the Company to purchase life insurance on a Shareholder, Director or Nominee to fund a buyout under Article 44.1 in the event of the death of that person, and if insurance proceeds are paid out to the Company as a result, then the provisions of "Schedule "A" " attached will apply on the death of that Principal and they will override anything to the contrary in Article 44.1.

44.3 Notwithstanding anything herein to the contrary, Anson agrees to consent to (i) the Transfer of Roger's Investment to Val if he dies or becomes Disabled, and (ii) the Transfer of Val's Investment to Roger if he dies or becomes Disabled.

44.4 Upon the death or Disability of Val or Roger, the threshold for acceptance and presentation of a Buyout Offer under paragraph 38.2 shall be reduced from Special Majority Vote to 1/3rd.

Article 45 Bankruptcy, Or A Shareholder Losing Control of his Investment

45.1 In addition to the foregoing, and except as otherwise set out in this Agreement in writing, upon the occurrence of any one of the following "**Triggering Events**" with respect to any Shareholder (the "**Triggering Shareholder**"):

45.1.1 (i) If a Shareholder makes an assignment in bankruptcy or an assignment for the general benefit of his or its creditors, commits an act of bankruptcy or becomes an insolvent person (as such terms are defined by the *Bankruptcy and Insolvency Act* (Canada)), or if a petition for a receiving order is filed against either of them, or if a receiving order is made against either of them, or if proceedings for a proposal to their creditors or for the winding-up, liquidation or other dissolution of either of them should be instituted by or against either of them under any federal or provincial law; or (ii) if the Shareholder (if a corporation) makes an application under the *Companies' Creditors Arrangement Act* (Canada); or (iii) if a resolution is passed for, or a judgment or order is issued by any court of competent jurisdiction which is not under appeal ordering the winding up or other liquidation or dissolution of the Shareholder; or (iv) if the appointment is made of any receiver, manager, receiver-manager, liquidator or trustee of the property, assets or undertaking of the Shareholder and such appointment is not revoked or withdrawn within 15 Business Days of the appointment; or

45.1.2 If the Shareholder's Investment (or any part thereof) is seized by or on behalf of any creditor; or

45.1.3 Except as is permitted by this Agreement, if the Voting Rights of a Shareholder come under the control of a person other than the persons entitled to exercise those Voting Rights under this Agreement; provided that if this change in control is due to the death or Disability of a Shareholder or Nominee (in which case the provisions of Article 44 (Death or Disability) shall apply over the terms of this Article 45.1.3); or

45.1.4 If a court of competent jurisdiction makes an order under the *Family Law Act* of Ontario (or any successor or similar legislation) or under the family law or matrimonial laws of any jurisdiction involving the spouse or former spouse of a Shareholder or its Nominee which relates to or affects in any way the ownership, control or Voting Rights of part or all of the Shareholder's Investment, or the shares or any interest in a Shareholder owned or controlled by its Nominee; or which requires a Shareholder's Investment to be transferred, charged, encumbered, attached, divided, seized or sold in whole or in part; or which requires the shares or any interest in a Shareholder owned or controlled by its Nominee to be transferred, charged, encumbered, attached, divided, seized or sold in whole or in part;

Then the other Shareholders (the "**Non-Triggering Shareholders**") shall have the following options, which may be exercised in writing by Simple Majority Vote (not including the shares or Voting Rights of the Triggering Shareholder) within sixty Business Days of their becoming aware of the Triggering Event:

45.1.5 The right to buy or have the Company buy all the Investment of the Triggering Shareholder for 90% of the Fair Market Value thereof as determined by Arbitration or agreement of the parties; provided that the purchasing Shareholders may elect to pay the purchase price for the Investment being purchased upon terms equal to 10% on closing and sixty equal monthly payments without interest for the balance due on closing commencing on the first day of the first complete month following closing, and on the first day of each month thereafter, which closing shall take place thirty Business Days following the determination of the purchase price; and the Non-Triggering Shareholders shall be entitled to participate in the purchase of the Investment of the Triggering Shareholder pro rata in accordance with the number of participating shares of the Company they hold at the time; or

45.1.6 The right to arrange the sale of the Investment of the Triggering Shareholder to a third party upon the same price and terms set out in Article 45.1.5; or

45.1.7 The right to require that the Company be wound up with its assets liquidated, debts paid and any surplus funds delivered to the Shareholders in accordance with their respective shareholdings;

Provided that the Non-Triggering Shareholders shall be deemed to be appointed the attorney of the Triggering Shareholder for the purpose of completing any such transaction.

Article 46 Additional Sale Provisions Re: Sales Between Shareholders

46.1 In the event of any purchase and sale of shares between the Company and any Shareholders, or among Shareholders, including but not limited to any transactions under Article 39, Article 39, Article 43, Article 44, Article 45, Article 43, Article 44 or Article 45, and except as otherwise set out to the contrary in this Agreement or unless the parties to the transaction all agree to the contrary:

46.1.1 In the event of any conflict between sale or purchase proceedings or transactions commenced between the parties, the priority of such proceedings or transactions will be determined in chronological order starting with the first of such proceedings or transactions to be validly commenced;

46.1.2 The date scheduled for closing may be at any earlier or later date that the parties agree to, failing which it shall be 15 Business Days following final determination of the purchase price to be paid, whether by agreement or Arbitration;

46.1.3 The seller, and any Nominees of the seller, and any Appointed Director of the seller, will resign as employees, officers and Directors of the Company on closing without claim for severance pay, termination pay or damages for wrongful dismissal (except for unpaid wages and salary owing up to the date of closing), and all such persons shall deliver full and final releases of all claims against the Company which have arisen or might have arisen up to that date (save for any claims for unpaid wages and salary owing up to the date of closing);

46.1.4 The seller will deliver title to the Investment in question to the buyer free and clear of all liens, charges or encumbrances of any kind; if the Investment is not free and clear of all liens, charges or encumbrances, the buyer may elect to assume such liens, charges or encumbrances in which case the sum assumed shall be credited against the purchase price to the buyer's benefit;

46.1.5 The seller shall release the Company and its Shareholders, Nominees, officers and Directors from all claims which have arisen or might have arisen up to that date (except for any claims for unpaid wages and salary owing up to the date of closing);

46.1.6 The parties will comply with any requirements imposed by section 116 of the *Income Tax Act*;

46.1.7 If, on the day of closing, the Company is indebted to the seller or his Nominee or Director for any reason, including but not limited to unpaid management bonuses, dividends or Shareholder Loans, the full amount of such debt will be paid in full by the buyer on closing of the share sale, which transaction shall be in addition to the share purchase price component of the sale transaction in question, and all security held therefore will be assigned to the buyer free and clear of charge or encumbrance. If the parties cannot agree on the amount of such debt owed by the Company, the decision of the Company accountant shall be final and binding, and there shall be no recourse to Arbitration; provided that if there is no Company accountant, or the Company accountant is unwilling to make a decision, then the amount of such debt will be subject to Arbitration;

46.1.8 If, on the day of closing, the seller or his Nominee or Director is indebted to the Company for any reason, the buyer shall be entitled to pay, satisfy and discharge all or any portion of such indebtedness and shall receive credit against the share purchase price for the amount so paid. If the parties cannot agree on the amount of such debt owed to the Company, the decision of the Company accountant shall be final and binding, and there shall be no recourse to Arbitration; provided that if there is no Company accountant, or the Company accountant is unwilling to make a decision, then the amount of such debt will be subject to Arbitration;

46.1.9 If, on the day of closing, the seller or Nominee or Director has any outstanding guarantees or covenants for or related to the liabilities of the Company, the buyer shall use his best efforts to obtain and deliver a release of such persons from such guarantees or covenants, together with the release of any property of such persons held as security therefore; provided that if the buyer cannot obtain such releases, he shall execute and deliver such documents and covenants as may be reasonably required to indemnify the seller or his Nominee or Director (as applicable), and save them harmless in that regard;

46.1.10 If any portion of the purchase price is deferred, paid in instalments, or for any other reason not paid in full on closing, then the buyer will execute and deliver a promissory note on closing for the balance of the purchase price. The promissory note shall be fully open as to additional payments of principal at any time or times without notice or bonus, shall be non-assumable and shall mature on any direct or indirect sale of the purchased Investment or the Company, and provided further that in the event of any default in payment, which default continues for a period of ten (10) days after written notice thereof, the entire balance shall immediately become due and payable. The promissory note shall bear interest on default calculated and payable monthly in arrears at the Prime Rate plus 5% on the outstanding principal sum owing from time to time, both before and after maturity and judgment. In addition, the buyer will also execute and deliver a share pledge agreement on closing whereby:

46.1.10.1 The full amount of the purchased Investment is pledged to the seller as security for payment of the balance of the purchase price;

46.1.10.2 The buyer is entitled to vote that part of the Investment consisting of voting securities provided he is not in default of his obligations under the sale transaction;

46.1.10.3 The buyer agrees that he will not make any decision as set out in "Schedule "B" Limited Decision-Making in Certain Shareholder Buyout Situations" to this Agreement without the approval of the seller, such approval not to be unreasonably withheld and to be subject to Arbitration (notwithstanding anything to the contrary);

46.1.10.4 The buyer's after tax share of all dividends, management bonuses, repayment of Shareholder Loans, and other extraordinary payments to the buyer, related in any way to the purchased Investment, will be paid to the seller on account of the unpaid portion of the purchase price;

46.1.11 The remainder unpaid portion of the purchase price shall accelerate and become due and payable should (i) there be a default in payment of more than 10 business days; or (ii) should the Company become insolvent, file a bankruptcy assignment, make an assignment for the general benefit of its creditors, be petitioned into bankruptcy, have any of its assets seized by any creditor or propose or make any other arrangement based on the Company's inability to pay all of its debts in full as they become due; or (iii) should there be a change in control of the Company except to persons who were Shareholders of the Company at the time of the closing of the purchase transaction in question; or (iv) should the Company cease carrying on business in the ordinary course or commence any dissolution or winding-up proceedings; or (v) on the completion of any sale in bulk of the assets of Company or other sale of the goodwill of the Company structured as a sale of assets, license or royalty arrangement;

46.1.11.1 The seller is permitted to exercise all voting rights represented by the whole original amount of the Investment upon the occurrence of any act of default in the purchase and sale arrangement by the buyer after first giving ten Business Days prior written notice, unless such default is cured during such notice period;

46.1.11.2 The seller is permitted to retake possession of and retain the whole original amount of the sold Investment, together with all payments made to date by the buyer with respect to the purchase price in the transaction in question, upon the occurrence of any act of default in the purchase and sale arrangement with the buyer, after first giving fifteen Business Days prior written notice, unless such default is cured during such notice period;

Which arrangements will continue in full force and effect until the entire unpaid purchase price has been paid in full or the seller and the buyer otherwise agree;

46.1.12 If, on the day of closing, the seller refuses for any reason to complete the transaction in question, the buyer shall be entitled to pay the purchase price to the solicitor for the Company or to a chartered bank in Toronto, Ontario, Canada on the seller's behalf, and to complete the transaction accordingly, in which case the buyer shall be deemed to be appointed attorney of the seller to execute any documents necessary to complete the transaction for and on behalf of the seller.

PART 6 – OPERATIONAL AND GENERAL ISSUES

Article 47 Unaudited Statements

47.1 All Shareholders hereby consent to the Company being exempt from any requirement to have audited financial statements, provided that:

47.1.1 Copies of annual financial statements on a review engagement basis are prepared by an accountant or firm of accountants approved for the practise of public accounting in the jurisdiction in which the Company's head office is located, approved by the Directors, and distributed to all Shareholders within one hundred and fifty (150) days of the end of each Company fiscal year; and

47.1.2 No person is unreasonably interfering with the rights of the Shareholders under Article 49.

Article 48 Accountants

48.1 The Company's accountants or auditors (as the case may be) shall be appointed, replaced or removed by the Shareholders from time to time by Special Majority (the "**Accountant**"). The Accountant of the Corporation shall be independent of the Company and its Officers, Directors, Nominees and Shareholders. The Company, Directors, Nominees and Shareholders shall afford the Accountant access to all books of account, records, vouchers, cheques, papers and documents which may relate to the Company, including those of the Directors, Nominees and Shareholders (but only to the extent that the books, records, vouchers, cheques, papers and documents relate to the Company). The initial Accountant will be Silver Accounting Services Inc.

Article 49 Access to Books and Records

49.1 Each Nominee, Director and Shareholder, and their professional advisors, will be entitled to full and unrestricted access to inspect:

49.1.1 The books and records of the Company from time to time as they see fit at their own expense, including all financial records, banking records and books of account, and whether stored in document form or consisting of computer or other records or data;

49.1.2 All Company premises and assets; and

49.1.3 All Accountant working papers that relate in any way to the Company or its affairs.

Article 50 Banking

50.1 The Company shall maintain one or more bank accounts at such banks and financial institutions as the Directors may approve from time to time by Special Majority. All bank accounts shall be kept in the name of the Company. All monies received from time to time for the account of the Company shall be paid immediately into such bank accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received. Signing authorities for all bank accounts shall be determined from time to time by the Directors by Special Majority.

Article 51 Execution of Instruments

51.1 Subject to Article 27 above all cheques, bills, notes, drafts or other instruments or documents for the purposes of binding the Company in connection with its accounts and transactions with its bank, and all deeds, transfers, assignments, agreements, contracts or obligations for and on behalf of and in the name of the Company relating to the property of the Company, shall require the signatures of those Officers, Directors, or of such other individual or individuals as may be approved by the Directors from time to time by Special Majority,

Article 52 Notices

52.1 Except as otherwise provided in this Agreement, all notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another party shall be given in writing by personal delivery, or by prepaid courier delivery or by registered mail addressed to the other party or delivered to the other party as follows:

To the **Company** at: Acora Acoustics Corporation
165 Milner Avenue

Scarborough, ON M1S 4G7

To **Val** at: Valerio Cora
26 Wilstead Drive
Newmarket, ON L3Y 4T9

To **Roger** at: Roger Hwang
165 Milner Avenue
Scarborough, ON M1S 4G7

To **Anson** at: Anson Liao
70 East Beaver Creek Road
Markham, ONL4B 3B2

And to such other or further addresses as may be given by any party to the other in writing from time to time. Such notices, requests, demands or other communications shall be deemed to have been received when personally delivered; or, if sent by prepaid courier delivery, on the date received by the applicable party or by an adult person found at the applicable party's address for service; or, if mailed via registered mail, on the fifth Business Day after the mailing thereof.

Article 53 Forbearance

53.1 No forbearance by any party to this Agreement with respect to any Default under this Agreement by another party to this Agreement shall be considered a waiver or forgiveness of that or any prior, subsequent, similar or other Default by that or any other party unless specifically waived in writing.

Article 54 Notice of Family Law Act Claims

54.1 Each Shareholder and Nominee shall notify the Company and all Shareholders of any application by his or her spouse or former spouse pursuant to the *Family Law Act* of Ontario (or similar or equivalent legislation), within three Business Days of their becoming aware of the claim, which notice shall set out all known details relating to the claim.

Article 55 Future Assurances

55.1 Each party agrees to execute, deliver or exchange such further and other assurances as may be required to give effect to the terms of this Agreement.

Article 56 Severability

56.1 Subject to the provisions of Article 13, in the event that any Article, sentence, paragraph, sub-paragraph or term in this Agreement, or any part thereof, shall be deemed to be void, illegal, invalid or unenforceable by a court of competent jurisdiction or by an Arbitration panel, such offending Article, sentence, paragraph, sub-paragraph, term or part (as the case may be) shall be severed from this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and be binding on the parties unaffected thereby, and the parties shall replace the offending provision with a new term or provision which comes as close as possible to the scope, duration and intent of the parties as originally set out but which does legal, valid and enforceable according to the court or Arbitration panel in question.

Article 57 Shareholders Not Agents, Etc.

57.1 Nothing herein shall constitute the parties to be agents, partners, co-venturers or legal representatives of each other, and no Shareholder shall have the authority to bind any other Shareholder to any contract, agreement, undertaking or covenant of any kind whatsoever without the express written authority of the other Shareholders in that regard.

Article 58 Binding on Successors

58.1 This Agreement shall be binding on the parties hereto and their respective successors, assigns, heirs, executors and administrators.

Article 59 Entire Agreement

59.1 This Agreement constitutes the entire agreement between the parties, provided that the parties may from time to time supplement this Agreement by written amendments executed by all Shareholders and the Company.

Article 60 Counterparts and Telefaxed Signatures

60.1 This Agreement may be executed in counterparts. Telefaxed, portable document format, tagged image file, and other forms of electronically reproduced copies of original handwritten signatures in ink shall be valid and binding.

Article 61 Captions

61.1 The captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of the paragraphs that follow each particular caption, nor in any way affect this Agreement.

Article 62 Interpretation

62.1 It is agreed that unless the context of this Agreement requires otherwise, the singular number includes the plural and vice versa, the number of the verb is to be construed as agreeing with the word so substituted, words importing the masculine gender include the feminine and neuter genders, and words importing a person include corporations, firms, partnerships and trusts and vice versa.

Article 63 Legal Advice

63.1 Val, Rogerand Anson acknowledge and agree as follows:

63.1.1 They were advised that Bruce Margles and Thompson Dymond represented Acora Acoustics Corporation only with respect to this Agreement and any issues of any kind arising hereunder; and

63.1.2 They were advised to obtain independent legal advice before signing this Agreement, had an opportunity to do so, and obtained such independent legal advice as he felt was necessary or appropriate.

Witness **Valerio Cora**

Witness

Roger Hwang

Witness

Anson Liao

ACORA ACOUSTICS CORPORATION

Valerio Cora, CEO

Schedule "A" Death of Shareholder with Insurance Funded Buyout

(a) **Mandatory Buyout on Death:** Upon the death of a Shareholder or Nominee (the ''**Deceased**''), and if the Company purchased life insurance on the Deceased to fund the buyout of the relevant Shareholder in the event of the death of the Deceased, and if insurance proceeds are received by the Company as a result, then the Shareholder in question (the ''**Vendor**'') shall sell all of the Investment in the Company owned by the Deceased and his Related Shareholders (the ''**Purchased Investment**'') to the other Shareholders ("**Purchaser**"), and the Purchaser shall purchase the Purchased Investment, upon and subject to the terms and conditions hereinafter set out.

(b) **Accountant:** The transaction herein contemplated shall be carried out under the advice of the Company Accountant so as to minimize the collective tax consequences to the Vendor, the Purchaser and the Company, and he or she shall be authorized to change any of the process and procedures herein set out in order to achieve that purpose. All parties agree to implement the directions and advice of the Company Accountant as so provided.

(c) **Buyout Funded by Insurance:** To provide funds for the Buyout, the Company may purchase and maintain life insurance policies on the life of each Shareholder or Nominee (the "**Policy**" and "**Policies**", as the case may be). All Policies will be owned, and the premiums will be paid, by the Company. As much as reasonably possible, the death benefit of each Policy will be equivalent to the Value of the Shares of the relevant Shareholder determined in consultation with the Company Accountant at least once per year at the time of finalizing the Company's annual financial statements for the immediately preceding fiscal year end.

(d) **Collecting Insurance Proceeds:** Immediately upon the death of the Deceased, the proceeds from the relevant insurance policy (the "**Proceeds**") shall be applied for and received by the Company, and added to the capital dividend account of the Purchaser to be used to fund the Buyout.

(e) **Determining Value:** The Value of the Shares of the Vendor shall be calculated in accordance with the following procedures and principles:

(i) At least once per year at the time of finalizing the Company's annual financial statements for the immediately preceding fiscal year end the Shareholders, in consultation with the Company accountant, shall agree on the Value of the shares of the Company that shall prevail for the ensuing fiscal year for the purposes of the Buyout, provided that this Value may be disputed by the Purchaser and Vendor based upon changes in the Company's financial or business fortunes in the period up the death of the Deceased Shareholder, or based upon changes in the business fortunes of the Company based upon the death of the Deceased.

(ii) If at any time a Value is not agreed upon as required by paragraph (i), or if on the death of a Shareholder the Vendor or the Purchaser disagree with the Value last agreed to, then the Value shall be determined by the accountants or auditors of the Company, and the standard applied shall be "fair market value" of the Shares as defined below. If no accountant or auditor is available, or if any Shareholder disagrees with the Value determined by the Company accountants, then the Value shall be submitted for determination by Arbitration under this Agreement, and the standard applied shall be "fair market value" as defined below.

(iii) For the purposes of determining Value, "fair market value" shall mean the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted market between informed and prudent parties acting at arm's length and under no compulsion to transact, taking into account the impact of the death of the Deceased on the business affairs of the Company (if any).

(f) **Note to Estate:** Upon the later of four months following the death of the Deceased or final determination of the Value of the Investment being sold, the Purchaser shall give a promissory note to the Vendor payable no later than one month following the date of transfer of the Shares from the Vendor to the Purchaser (the "**Note**"). The principal amount of the Note will be equal to the Value of the Investment of the Vendor calculated in accordance with the provisions of paragraph (e). The Note will not bear interest prior to maturity, but will bear interest on default at an annual rate of interest equal to the Company's banker's prime commercial lending rate plus 4% per year, fluctuating as and when the said bank's prime commercial lending rate fluctuates and to the same extent.

(g) **Transfer of Investment:** Immediately upon receipt of the Note the Vendor shall cause its Investment to be transferred to the Purchaser.

(h) **Declaration of Capital Dividend:** Prior to the maturity of the Note, and after transfer of the Vendor's Investment, the Company will declare and pay a capital dividend to the Purchaser (the "**Dividend**"). The amount of the Dividend shall be the lesser of the Value of the Vendor's Investment, and the Proceeds that will have entered the capital dividend account of the Company in accordance with paragraph (d). Subject to paragraphs (i) and (j) the Purchaser shall then pay the amount so received to the Vendor on account of the amount owing under the Note.

(i) **Surplus of Insurance Proceeds:** If the total Proceeds of the Policy on the Deceased's life are greater than the Value of the Vendor's Investment, the Company shall retain the excess proceeds.

(j) **Deficiency in Insurance Proceeds:** If the amount available to the Purchaser in the form of the Dividend is not large enough to pay the full principal amount of the Note:

(i) The Vendor shall give the Vendor a second promissory note for the amount of the difference between the Value of the Investment purchased and the amount of Dividend available (the "**Deferred Note**").

(ii) Deferred Note shall not bear interest, but shall require thirty six equal monthly payments commencing on the first day of the second complete month following closing of the Buyout.

(iii) The Deferred Note will provide for interest on default at an annual rate of interest equal to the Company's banker's prime commercial lending rate plus 4% per year, fluctuating as and when the said bank's prime commercial lending rate fluctuates and to the same extent.

(k) **Other Provisions:** The provisions of Article 46 will apply to any transaction hereunder with all necessary changes.

(l) **Assignment of Insurance Policies:** Upon termination of this Agreement, each Nominee is entitled to an assignment of the Policy of insurance on his life upon payment to the Company before the expiry of 90 full days after termination, of a sum equal to the cash surrender value of the policy.

Schedule "B" Limited Decision-Making in Certain Shareholder Buyout Situations

This Schedule only applies as set out in Article 46.1.10.3, and as provided in Schedule "A" :

1. The granting of security on any assets of the Company;

2. The location of Company bank accounts;

3. The payment of any monies to any Shareholder, Nominee, Director, Officer or Family Member for services provided to the Company, save and except for reasonable salaries and wages consistent with past practices, and reimbursement of any Company expenses incurred by such persons;

4. The purchase, sale or lease by the Company of any real property, other than Company premises for the day-to-day operation of the business of the Company;

5. Any transaction not in the ordinary course of the Company's business;

6. The payment to any Shareholder, Nominee or Director, of any bonuses or dividends, or repayment of Shareholder Loans;

7. The issuance of any further shares, rights, options, warrants or securities of any kind by the Company;

8. The assignment, Transfer, mortgaging, hypothecating, granting of a security interest in, or other alienation of his shares or Investment by any Shareholder;

9. The Company guaranteeing or indemnifying the liabilities or obligations of any person other than a wholly owned subsidiary of the Company;

10. The amalgamation of the Company with any other corporation;

11. Any sale in bulk or sale outside the ordinary course of business of Company assets, any sale of all or substantially all of the assets of the Company, or any winding up of the Company;

12. Any amendment to the existing by-laws of the Company or the passing of any new by-laws; and

13. Any amendment of the Articles of the Company.

LEASE

BETWEEN:

MUCHER ENTERPRISES LIMITED

(the "Landlord")

of the **FIRST PART**

- and -

ACORA ACOUSTICS CORPORATION
(the "Tenant")

of the **SECOND PART**

DATED: December 2, 2022

This is Exhibit "C" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

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THIS LEASE is dated the 2ND day of December 2022

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT AS IF STILL FORCE AND EFFECT AND THE COMMERCIAL LEASES ACT (formerly the Landlord and Tenant Act)

BETWEEN

MUCHER ENTERPRISES LIMITED

(the "Landlord")

of the **FIRST PART;**

--and--

ACORA ACOUSTICS CORPORATION

(the "Tenant")

of the **SECOND PART;**

ARTICLE I
Definitions

1.01 In this Lease and the schedules forming part of it, the following definitions apply:

(i) **"Additional Rent"** means the money or charges which the Tenant is required to pay under this Lease (except Minimum Rent) whether or not they are designated **"Additional Rent"** or whether or not they are payable to the Landlord or to third parties.

(ii) **"Architect"** means the architect which the Landlord names from time to time.

(iii) **"Common Areas and Facilities"** means those areas, facilities, utilities, improvements, equipment and installations which (a) are in the Project and from time to time, are not designated or intended by the Landlord to be leased to tenants of the Project, and (b) although they are not in the Project, they serve or are for the benefit of the Project and are designated from time to time by the Landlord as part of the Common Area and Facilities, or (c) are provided or designated from time to time by the Landlord for the use or benefit of the tenants in common with others entitled to their use or benefit, in the manner and for the purposes permitted by this Lease.

Common Areas and Facilities includes but is not limited to the roof, exterior wall assemblies including weather walls, exterior and interior structural elements and bearing walls in the building or buildings and improvements comprising the Project, parking areas, the entrances and exits, the structural elements, employee parking areas, access roads, truck courts, driveways, truckways, loading docks and related areas, sidewalks, landscaped areas, equipment, furniture, furnishings and fixtures, stairways, interior areas (which interior areas are referred to as the "Interior Common Areas" and include but are not limited to, corridors, tenant common washrooms, electrical, telephone, meter, mechanical, mail, storage and janitor rooms), fire prevention, security and communications systems, general signs, columns, pipes, electrical, plumbing, drainage, mechanical, and the other installations, equipment or services located in the Project or related to it as well as the structures housing them, and the HVAC System of the Project as defined in Schedule "D".

(iv) **"Indemnifier"** means the Person who has executed or agreed to execute the Indemnity Agreement which is attached to this Lease as Appendix "A" (if there is such a Person).

(v) **"Landlord"** means the party of the First Part, and for the purpose of Section 10.04 includes the officers, servants, contractors and agents of the Landlord.

(vi) **"Leaseable Premises"** means those premises within the Project from time to time which are leased to tenants or which are designated by the Landlord for that purpose, and do not form part of the Common Areas and Facilities.

(vii) **"Leased Premises"** means the premises leased to the Tenant and described in Section 3.01.

(viii) **"Minimum Rent"** means the annual rent payable by the Tenant and described in Section 4.02.

(ix) **"Mortgagee"** means any mortgage or hypothecary creditor (including any trustee for bondholders) of the Project or any part of it.

(x) **"Person"** if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination of them.

(xi) **"Project"** means the lands described in Schedule "B" as those lands are altered, expanded, or reduced from time to time and any buildings, improvements, equipment and facilities erected on them or situated on or in them from time to time. The Project is currently comprised of 9,080 square feet of leaseable area.

(xii) **"Proportionate Share"** means a fraction which has as its numerator the Rentable Area of the Leased Premises, and as its denominator, the Rentable Area of the Project.

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(xiii) **"Rent"** means all Minimum Rent and Additional Rent payable under this Lease.

(xiv) **"Rentable Area of the Leased Premises"** means the total area expressed in square feet determined by aggregating:

(a) the floor area of the Leased Premises, measured from the exterior face of the exterior walls, doors and windows and the centre line of all interior walls separating the Leased Premises from adjoining Leaseable Premises or Interior Common Areas with no deduction for space occupied by projections, structures, or columns, structural or non-structural, and

(b) an attributed area (the **"Attributed Area"**) being a fraction of the total floor areas of the Interior Common Areas (measured in accordance with subparagraph (a) above, as though they were Leaseable Premises), which fraction has as its numerator the floor area of the Leased Premises determined in accordance with subparagraph (a) above and as its denominator the Rentable Area of the Project.

(xv) **"Rentable Area of the Project"** means the total of the Rentable Areas of all Leasable Premises in the Project.

(xvi) **"Rental Year"** means a period of time, the first Rental Year commencing on the first day of the Term, and ending on the 16th day of January 2023.

After the first Rental Year, each Rental Year consists of consecutive periods of twelve (12) calendar months, but the last Rental Year of the Term terminates on the expiration of the Term or earlier termination of this Lease, as the case may be.

Despite what is stated above, if the Landlord considers it necessary or convenient, it may from time to time, by written notice to the Tenant, specify an annual date from which each subsequent Rental Year for the purposes of any of the Articles, Sections or other provisions of this Lease is to commence, and, the Rental Year then current for that purpose or those purposes, will terminate on the day immediately preceding the commencement of that new Rental Year.

(xvii) **"Tenant"** means the party of the Second Part and every Person mentioned as Tenant in this Lease. If there is more than one Tenant, any notice under this Lease may be given by or to any one of them and has the same force as if given by or to any one of them. A reference to **"Tenant"** includes, where the context allows (and in Section 10.05 the context allows), the servants, employees, agents, invitees and licensees of the Tenant and those over whom the Tenant may reasonably be expected to exercise control.

ARTICLE II
Intent and Interpretation

2.01 Net Lease

Except as otherwise stated in this Lease, (i) the Landlord is not responsible for any costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Leased Premises, or the use and occupancy of them, or their contents or the business carried on in them, and (ii) the Tenant will pay all charges, impositions, costs and expenses of every nature relating to the Leased Premises and the Landlord's management and operation of the Leased Premises and Common Areas and Facilities.

2.02 Extended Meanings

Use of the neuter singular pronoun to refer to the Landlord or the Tenant is considered a proper reference even though the Landlord or the Tenant is an individual, a partnership, a corporation, or a group of two or more individuals, partnerships or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, will in all instances be assumed as though they were fully expressed.

2.03 Entire Agreement

This Lease is comprised of the main body of this document, as well as the schedules and riders, if any, attached to it and the Rules and Regulations adopted and promulgated by the Landlord under Section 18.01 all of which set out every covenant, promise, agreement, condition and understanding between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, oral or written, between them other than those set out in this Lease. Except as may be expressly stated otherwise in this Lease, no subsequent alteration, amendment, change or addition to this Lease will be binding upon the Landlord or the Tenant unless in writing and signed by the Tenant and the Landlord.

2.04 Severance

All of the provisions of this lease are to be construed as covenants and agreements as though the words importing the covenants and agreements were used in each separate paragraph hereof. Should any provisions of this lease be illegal or not enforceable it shall be considered separate and severable from the lease and its remaining provisions remain in force and are binding upon the parties hereto as though the provisions had never been

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2.05 Governing Law

This Lease will be construed in accordance with and governed by the laws of the Province of Ontario.

2.06 Time of the Essence

Time is of the essence of this Lease and each part of it.

2.07 Interpretation not affected by Headings

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the constitution or interpretation of this Lease.

ARTICLE III
Grant and Term

3.01 Leased Premises

(a) The Landlord leases to the Tenant, and the Tenant leases from the Landlord, the premises, now erected as part of the Project, which premises are presently designated as 1821 Albion Road Units #13-14 and having a Rentable Area of Nine Thousand Three Hundred Four (9,304) square feet. The Tenant accepts the Leased Premises subject to the Landlord's work to the Premises in accordance with Schedule "E" and the provisions of Section 3.05 below.

(b) The approximate location of the Leased Premises is shown outlined in red on the plan attached as Schedule "A". The Common Areas and Facilities (including, but not limited to, the columns and walls which form part of the Common Areas and Facilities) which are within the space enclosed by the boundaries of the Leased Premises;

(c) The boundaries of the Leased Premises extend, (i) (1) to the exterior face of all exterior walls, doors and windows, (2) to the centre line of all interior walls separating the Leased Premises from adjoining Leaseable Premises and Interior Common Areas and (ii) from the top surface of the structural sub-floor to the bottom surface of the structural ceiling.

3.02 Use of Additional Areas

The use and occupation by the Tenant of the Leased Premises includes the non-exclusive and non-transferable right or license to use, subject to this Lease, the Common Areas and Facilities in common with others entitled to do so, and for the purposes for which they are intended. The use of all exterior areas is under the control of the Landlord.

3.03 Commencement and Ending Date of Term

(a) The Tenant will have and hold the Leased Premises for and during the Term which will be, unless sooner terminated under the provisions of this Lease, for a period of Five (5) years and 15 days, commencing on the 16th day of January 2023, (the **"Commencement Date"**) and to be fully completed and ended on the 31st day of January 2028, (the **"Expiry Date"**).

3.04 Availability and Fixturing of Leased Premises

The Landlord shall take all reasonable steps to have the Leased Premises completed and ready for occupancy by the Tenant on the Commencement Date. The Tenant may make, construct, erect and install its leasehold improvements in or to the Leased Premises and prepare the Leased Premises for the conduct of its business therein.

3.05 Acceptance of Premises

Subject to Schedule "E" of this lease, the Tenant agrees to take the premises in an "as is" condition.
The taking of possession of the Premises by Tenant shall constitute Tenant's acknowledgement that the Premises are in good order and satisfactory condition. Landlord shall not be responsible for any latent or other defect or change in the condition of the Premises. Rent and Additional Rent may not be withheld or abated by reason of any defect or change in the condition of the Premises or by reason of any change thereto occurring during the Term or by reason of any restricted use imposed by applicable governing authorities.

ARTICLE IV
Rent

4.01 Covenant to Pay

The Tenant will pay Minimum Rent and Additional Rent as provided in this Lease.

4.02 Minimum Rent

(a) The Tenant will pay, beginning on the Commencement Date, to the Landlord at the office of the Landlord or at any other place designated by the Landlord, in Canadian money, without any previous demand, and without any deduction, abatement (except as indicated in subparagraph (g) below and Section 12.01 (a)), or set-off, as Minimum Rent, the annual sum of:

(i) ONE HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED SIXTY-EIGHT DOLLARS AND NO CENTS ($158,168.00) payable in equal consecutive monthly installments of THIRTEEN THOUSAND ONE HUNDRED EIGHTY DOLLARS AND SIXTY-SEVEN CENTS ($13,180.67) each in advance on the 1st day of each calendar month for the **FIRST YEAR AND FIFTEEN DAYS** of the rental term commencing January 16, 2023 through January 31, 2024, calculated at a rate of $17.00 per square foot;

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(ii) ONE HUNDRED SIXTY-FOUR THOUSAND FOUR HUNDRED NINETY-SEVEN DOLLARS AND SEVENTY-TWO CENTS ($164,497.72) payable in equal consecutive monthly installments of THIRTEEN THOUSAND SEVEN HUNDRED SEVEN DOLLARS AND EIGHTY-NINE CENTS ($13,707.89) each in advance on the 1st day of each calendar month for the **SECOND YEAR** of the rental term commencing February 1, 2024 through January 31, 2025, calculated at a rate of $17.68 per square foot;

(iii) ONE HUNDRED SEVENTY-ONE THOUSAND ONE HUNDRED DOLLARS AND FIFTY-SIX CENTS ($171,100.56) payable in equal consecutive monthly installments of FOURTEEN THOUSAND TWO HUNDRED FIFTY-EIGHT DOLLARS AND THIRTY-EIGHT CENTS ($14,258.38) each in advance on the 1st day of each calendar month for the **THIRD YEAR** of the rental term commencing February 1, 2025 through January 31, 2026, calculated at a rate of $18.39 per square foot;

(iv) ONE HUNDRED SEVENTY-SEVEN THOUSAND EIGHT HUNDRED NINETY-TWO DOLLARS AND FORTY-EIGHT CENTS ($177,892.48) payable in equal consecutive monthly installments of FOURTEEN THOUSAND EIGHT HUNDRED TWENTY-FOUR DOLLARS AND THIRTY-SEVEN CENTS ($14,824.37) each in advance on the 1st day of each calendar month for the **FOURTH YEAR** of the rental term commencing February 1, 2026 through January 31, 2027, calculated at a rate of $19.12 per square foot;

(v) ONE HUNDRED EIGHTY-FIVE THOUSAND FIFTY-SIX DOLLARS AND FIFTY-SIX CENTS ($185,056.56) payable in equal consecutive monthly installments of FIFTEEN THOUSAND FOUR HUNDRED TWENTY-ONE DOLLARS AND THIRTY-EIGHT CENTS ($15,421.38) each in advance on the 1st day of each calendar month for the **FIFTH YEAR** of the rental term commencing February 1, 2027 through January 31, 2028, calculated at a rate of $19.89 per square foot:

(b) If the Commencement Date is on a day other than the first day of a calendar month, then the Tenant will pay, on the Commencement Day, a part of the Minimum Rent pro-rated on a per diem basis from the Commencement Date to the end of the month in which the Commencement Date occurs, based upon a period of three hundred and sixty-five (365) days.

(c) The Tenant will deliver to the Landlord at the beginning of each Rental Year a series of monthly post-dated cheques for such Rental Year for the aggregate of the monthly payments of Minimum Rent and for any payments of Additional Rent estimated by the Landlord in advance as well as any payments required by this Lease to be paid monthly in advance.

(d) The Tenant will provide the Landlord with NINETEEN THOUSAND FOUR HUNDRED NINETY-THREE DOLLARS AND EIGHTY-TWO CENTS ($19,493.82) TO be held by the Landlord as a security deposit and not as pre-paid rent to the end of the Term. The Landlord may apply all or part of the amount retained as compensation for any loss or damage arising from the breach by the Tenant of any provision of this Lease. The right will not be construed to limit the Landlord's other rights under this Lease or at law or to limit the amount recoverable by the Landlord for damages in respect of breaches by the Tenant of this Lease. The Landlord will not be required to pay interest to the Tenant on any of the amounts paid to the Landlord or retained by it under this subparagraph.

(e) If construction of the Leased Premises or the Project is not completed by the Commencement Date or if on the date, a previous Tenant or occupant is overholding, and the Landlord is therefore unable to deliver vacant possession of the Leased Premises, the Landlord will exercise all its rights diligently in order to obtain completion of the construction and vacant possession, and the Rent payable under this Lease will abate until the Leased Premises are available for occupancy by the Tenant. The Landlord will not be liable to the Tenant for damages and this Lease will, subject to the abatement of Rent provided for in this paragraph, be in full force with no change to the Commencement Date or the Expiry Date;

(f) If the Tenant fails to pay when it is due, Minimum Rent, or any other amount payable by it under this Lease, the unpaid amount will bear interest at five (5) percent above the prime rate existing at the Landlord's bank for the month in which the unpaid amount was due, pro-rated from the due date to the date of payment and subject to annual compounding.

(g) Notwithstanding the provisions of Article 4.02 (a) (i), the Tenant shall not be obligated to pay Minimum or Additional Rent for the period from January 16, 2023 to February 15, 2023. The Tenant is however obligated to pay all utility charges levied against the leased premises from the Commencement Date of the lease term.

4.03 Goods and Services Taxes

The Tenant agrees to pay the Landlord the applicable Goods and Services Taxes as determined by the Landlord. In the event that another form of sales tax or supply taxation is imposed by any governmental authority or body for which the Landlord is obligated to collect for any supply or service, the Tenant covenants and agrees to pay the same forthwith as demanded by the Landlord without deduction, abatement or set off. A failure to pay such sum shall be deemed a failure to pay rent.

ARTICLE V
Taxes

5.01 Taxes - Definition

"Taxes" means all real property taxes, rates, duties and assessment (including local improvement taxes), impost

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charges or levies, whether general or special, that are levied, rated, charged or assessed against the Project or any part of it from time to time (including, but not limited to, the Common Areas and Facilities) by any lawful taxing authority, whether federal, provincial, municipal, school or otherwise, and any taxes or other amounts which are imposed in lieu of, or in addition to, any such real property taxes whether of the foregoing character or not and whether in existence at the Commencement Date or not, and any such real property taxes levied or assessed against the Landlord under the Income Tax Act, Canada.

5.02 Taxes Payable by the Landlord

The Landlord shall pay all taxes which are levied, rated, charged or assessed against the Project or any part of it subject to Sections 5.03, 5.04 and 6.02 of this Lease. However, the Landlord may defer payment of any such Taxes, or defer compliance with any statute, law, by-law, regulation or ordinance in connection with the levying of any such Taxes, or defer compliance with any statute, law, by-law, regulation or ordinance in connection with the levying of any such Taxes, in each case to the fullest extent permitted by law, if it diligently prosecutes any contest or appeal of any of those Taxes.

5.03 Taxes Payable by the Tenant

The Tenant will pay as Additional Rent to the Landlord a share of the Taxes determined as follows:

(a) The Tenant will pay its Proportionate Share of the Real Property Taxes, extraordinary as well as ordinary, whether foreseen or not, as shall during the term hereby demised be laid, levied, assessed or imposed upon the Leased Premises by virtue of any present or future law, order or ordinance of Canada or the provincial, city, county or local government, or of any department, office or bureau thereof or any other government authority;

(b) If the Taxes in respect of the Project of which the Leased Premises form a part, shall be increased by reason of any installation made in or upon, or any alterations made in or to the Leased Premises by the Tenant, the Tenant shall be responsible to pay the amount of such increase to the extent that the same is not included in the Taxes referred to in subparagraph (a) of Section 5.03.

5.04 Per Diem Adjustment

If any Rental Year is less than twelve (12) calendar months, the Taxes that the Tenant is required to pay under Section 5.03 will be subject to a per diem adjustment on the basis of a period of three hundred and sixty-five (365) days.

5.05 Business Taxes

If ever in the future, business tax is imposed, the Tenant shall pay all business taxes in respect of the business carried on by the Tenant in and upon or by reason of their occupancy of the premises hereby demised. In the event that business taxes are no longer assessed and collected, the Tenant covenants to pay any additional realty taxes or any other tax or levy assessed against the premises as estimated by the Landlord acting reasonably.

ARTICLE VI
Project and Common Areas and Facilities
Control and Payment

6.01 (a) The Landlord will control the management and operation of the Project. In its control, management and operation of the Project, the Landlord will have, among its other rights, the right to:

(i) have the Project managed by the Landlord or by such other Person as the Landlord designates in writing from time to time;

(ii) from time to time permit the Tenant to have the exclusive use of parts of the parking areas forming part of the Common Areas and Facilities and permit other tenants to have the exclusive use of parts of the parking areas, however such exclusive use shall be effective only by on agreement in writing between the Landlord and Tenant;

(iii) construct other buildings, structures or improvements, construct additions, subtractions from, or rearrangements of buildings and improvements in the Project, and construct additional buildings or facilities adjoining or proximate to the Project;

(iv) expand, use or alter the Common Areas and Facilities including the parking areas and, with the consent of the Tenant, which consent will not be withheld unreasonably, relocate or rearrange the Leased Premises, and do whatever else, in the use of good business judgment the Landlord determines to be advisable for the more efficient and proper operation of the Project and the Common Areas and Facilities.

(b) If as a result of the exercise by the Landlord of its rights set out in this Section 6.01, the Common Areas and Facilities are diminished or altered, the Landlord will not be subject to liability, nor will the Tenant be entitled to any compensation or abatement of Rent, nor is any alteration or diminution of the Common Areas and Facilities to be considered constructive or actual eviction, or a breach of quiet enjoyment.

(c) Landlord shall at all times have exclusive control and management of the Project and the Common Areas and without limiting the generality of the foregoing, such control shall apply to the use made by Tenant and/or the public of the pedestrian walkways and parking areas of the Project provided that such control does not materially and adversely impair Tenant's right of access to the Premises. Landlord may expand or alter the Project (including the Common Areas) from time to time. Landlord may also make changes and additions to the pipes, conduits and ducts or other structural and non-structural installations in the Premises where desirable to serve the Common Areas and other premises in the Project or to facilitate expansion or alteration of the Project, but shall not unreasonably interfere with the use and enjoyment of the Premises beyond the extent necessarily incidental to such changes, additions and installations, and shall repair any damage to the Premises arising in the course of such changes and additions provided that alternate means of access to the Premises are provided, Landlord may temporarily obstruct or close off the Common Areas or any parts thereof for the purpose of maintenance, repair or construction.

(d) Landlord shall use reasonable efforts to complete all construction, alterations, maintenance and repairs as expeditiously as reasonably possible under the circumstances and shall use reasonable efforts to minimize interference with the conduct of Tenant's business, but Landlord shall not be required to use overtime or premium time labour. Tenant shall not have any right to object to or any right to any claim of damages (including any abatement, setoff, deduction or reduction in Minimum Monthly Rent, Percentage Rent or Additional Rent) in respect of any exercise of Landlord's rights under this Article. The exercise by Landlord of its rights hereunder shall not be deemed to be a constructive or actual eviction of Tenant, or a breach of any covenant of quiet enjoyment or other covenant contained in this Lease.

6.02 Tenant to Bear Proportionate Share of Expense

(a) In each Rental Year, the Tenant will pay to the Landlord, as Additional Rent, its Proportionate Share of the costs and expenses incurred in maintaining and operating the Project and the Common Areas and Facilities.

(b) The costs and expenses mentioned in Section 6.02(a), include, but are not limited to the aggregate, without duplication, of the costs and expenses of:

(i) insuring (after deducting recoveries from tenants of the Project under clauses similar to Section 10.02 of this Lease) the lands, buildings, improvements and equipment, rents and other property in the Project and the Common Areas and Facilities from time to time owned or operated by the Landlord or for which the Landlord is legally liable, in such manner and form, with the companies, and with the coverage and in the amounts which the Landlord, or the Mortgagee, from time to time determines advisable;

(ii) landscaping, cleaning, snow removal, garbage and waste collection and disposal, lighting, hydro, policing, security, supervision and traffic control and moneys (including contributions and premium towards fringe benefits, unemployment and workmen's compensation insurance, pension plan contributions and similar premiums and contributions) paid to Persons, employed or retained by the Landlord to carry out the maintenance and operation of the Project;

(iii) the costs of the rental of any equipment and signs, and the cost of building supplies used by the Landlord in the maintenance and operation of the Project and the Common Areas and Facilities;

(iv) the cost, if any, of heating, ventilating and air-conditioning the Interior Common Areas;

(v) all repairs (including major repairs) and replacement to and maintenance and operation of the Project and the Common Areas and Facilities, and the systems, facilities and equipment serving the project and the Common Areas and Facilities except for the cost of repairing or replacing any inherent structural defects or weaknesses;

(vi) all Taxes payable by the Landlord as set out in Section 5.02 and other Taxes, if any, from time to time payable by the Landlord with respect to the Common Areas and Facilities and all Taxes which may be applicable or allocated by the Landlord to the Common Areas and Facilities;

(vii) an administration fee of 15% of the total of the costs set out above.

6.03 Estimated Expenses

(a) The amounts payable by the Tenant under Section 5.03 and Article VI may be estimated by the Landlord for whatever period the Landlord determines from time to time, and the Tenant will pay to the Landlord the Tenant's share or the Tenant's Proportionate Share, as the case may be, as so estimated, of the amounts in monthly installments in advance during that period as Additional Rent. If the Landlord revises an estimated amount, the Tenant will, within ten (10) days of being notified, provide to the Landlord a series of post- dated cheques for the remaining months of the Rental Year in substitution for the post-dated cheques which the Tenant was previously required to provide to the Landlord and the Landlord will, upon receiving the substitute cheques, return to the Tenant those which the Landlord previously held. As soon as bills for all or any part of those estimated amounts are received, the Landlord may bill the Tenant for the Tenant's share or Proportionate Share, as the case may be, and the Tenant will pay the Landlord the amounts so billed, (less the amounts previously paid by the Tenant) on the basis of the Landlord's estimate as provided above as Additional Rent on demand. The Tenant acknowledges that the estimated Occupancy Costs for the calendar year 2023 is Five DOLLARS AND twenty-five CENTS ($5.25) per square foot of rentable area herein defined commencing of the January 1, 2023.

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ARTICLE VII
Utilities

7.01 **Charges for Utilities**

(a) The Tenant will be responsible for and will promptly pay in the manner provided below, as a charge (the **"Charge"**) with respect to the Leased Premises the aggregate without duplicate, of (i) the total cost of supplying utilities (the **"Utilities"**) such as for example, water, fuel, power and telephone use or consumed in or with respect of the Leased Premises, (ii) the cost of any other charges levied or assessed in lieu of or in addition to the Utilities as determined by the Landlord, and (ii) to the extent that Utilities are provided by the Landlord, the costs incurred by the Landlord in determining or allocating the Charge or determining the Utilities including, but not limited to, professional, engineering and consulting fees.

(b) The following conditions apply to the Charge:

(i) The Tenant will enter into those contracts or other arrangements in connection with the Utilities which the Landlord requests it to and will pay whatever deposits or other amounts are payable under those contracts or other arrangements;

(ii) if the Landlord elects, for the more efficient operation of the Project, or is required by municipal authorities or the suppliers of the Utilities to supply the Utilities or any of them for the Project, the Tenant will purchase the Utilities from the landlord and pay for the Utilities as Additional Rent immediately on demand by the Landlord at rates which do not exceed appropriate rates for the Utilities, if applicable;

(iii) the Tenant will pay to the Landlord, as Additional Rent, the Charge in monthly installments in advance based on estimates by the Landlord and subject to adjustment by the Landlord within a reasonable time after the end of the period in respect of which the estimate has been made;

(iv) if required by the Landlord, the Tenant will install its own separate check meter for the Leased Premises at its own expense and in a location designated by the Landlord, and

(v) the Landlord will determine the charge applicable to the Leased Premises by allocating the Utilities for the Project among the several components of the Project, including the Common Areas and Facilities, and Leaseable Premises, acting on the advice of a qualified engineer using as a basis, but not limited to, (1) check meters installed in the Common Areas and Facilities and Leaseable Premises, (2) the relevant rates of demand and consumption, and (3) the connected loads of the Common Areas and Facilities, and the Leaseable Premises for which there are no check meters.

(c) The Landlord is not liable for, nor does it have any obligation with respect to an interruption or cessation of or a failure in the supply of any Utilities, services or systems in. to, or serving the Project of the Leased Premises, whether supplied by the Landlord or others.

ARTICLE VIII
HVAC

8.01 **Heating, Ventilating and Air-Conditioning**

(a) The Tenant will operate and regulate the heating, ventilating and air-conditioning equipment serving the Leased Premises in order to maintain reasonable conditions of temperature and humidity within the Leased Premises. The Tenant will comply with the stipulations and with the Rules and Regulations of the Landlord pertaining to the operation and regulation of the equipment.

(b) The Tenant will pay to the Landlord, as Additional Rent, the charges described in Schedule "D" of this Lease.

ARTICLE IX
Use of the Leased Premises

9.01 **Use of the Leased Premises**

Subject to the provisions of Section 13.01, the Tenant shall use the Leased Premises solely for the purpose manufacturing and sales sound speakers and associated items and will not use or permit the use of the Leased Premises or any part of them for any other purpose. No welding is to be carried out on or in the premises. No outside storage or sales are permitted. The Landlord does not represent or warrant that the foregoing use is permitted in whole or in part in accordance with governing zoning bylaws and the Tenant accepts the sole risk thereof.

9.02 **Conduct of Business**

The Tenant will, throughout the Term, occupy the Leased Premises and conduct, in the whole of the Leased Premises, continuously and actively the business set out in Section 9.01.

9.03 **Nuisance and Waste**

(a) The Tenant will not commit any waste upon, or damage to the Leased Premises or any nuisance or other act or thing which disturbs the enjoyment of any other Tenant in or occupant of premises in the Project and will not perform any acts or carry on any practices which may damage the Project. The Tenant will not permit any odours, vapours, steam, water, vibrations, noises or other undesirable effects to emanate from the Leased Premises or any equipment or installation in them which, in the Landlord's opinion, are objectionable, nor will the Tenant cause any interference with the safety, comfort, or convenience of the Landlord or any occupants of the Project, their customers or invitees.

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(b) The Tenant will not do or permit any act in or about the Common Areas or Facilities or the Project which in the Landlord's opinion hinders or interrupts the flow of traffic to, in and from the Project and the Tenant will not do, nor will it permit anything to be done which, in the Landlord's opinion, obstructs the free movement of Persons doing business in the Project.

9.04 Energy Conservation

(a) The Tenant will, at its cost, (1) comply with all laws, by-laws, regulations and orders relating to the conservation of energy affecting the Project or the Leased Premises, and (2) comply with all reasonable requests and demands of the Landlord made with a view to energy conservation.

(b) The costs or expenses incurred by the Landlord in installing energy conservation equipment and systems, to the extent they apply to or are apportioned to the Project by the Landlord, will be included in the Landlord's costs and expenses of maintaining and operating the Project and the Common Areas and Facilities for the purposes of Section 6.02.

9.05 Observance of Law

The Tenant will at its expense, and subject to Sections 10.01 and 10.02, promptly, (a) comply with the requirements of all governmental authorities, including federal, provincial and municipal legislative enactment's, by-laws and other regulations now or subsequently in force which pertain to the Leased Premises, the Tenant's use of the Leased Premises, or the conduct of any business in the Leased Premises, or the making of any repairs, replacements, alterations or changes to the Leased Premises, and (b) comply with the police, fire and sanitary regulations imposed by any governmental authorities or made by fire insurance underwriters, and (c) carry out all modifications or changes to the Leased Premises and the Tenant's conduct of business in or use of the Leased Premises which are required by any of those authorities.

9.06 Operation of Business

Tenant shall: (1) stock only such goods and merchandise within the Premises as Tenant intends use in the ordinary course of business; (2) use for office or non-selling purposes only such space within the Premises as is reasonably required for Tenant's business; (3) not conduct or solicit business or distribute advertising matter outside the Premises; (4) not place any weight upon the floor of the Premises exceeding the floor load per square foot area which such floor was designed to carry and which is allowed by law; (5) not erect any aerial satellite dish or other similar devise on the roof or exterior walls of the Project; (6) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises; (7) not cause or permit objectionable odours to emanate from the Premises; (8) not cause or permit any nuisance or other act which may disturb the quiet enjoyment of or rights of any other occupant or tenant of the Project; (9) store and dispose of its refuse in sealed, rodent-proof and deodorized containers in those areas designated by Landlord; (10) not change the name of the business operated in the Premises without the written permission of Landlord; (11) not operate its business in the Premises in a manner which would violate any restrictive covenant or agreement contained in any other lease or contract affecting Landlord or the Project; (12) not advertise or conduct any auction, distress, fire or bankruptcy sale, or real or fictitious going-out-of-business sale, or permit or conduct the type of business commonly called a "cut price", "outlet", "discount", or "cut rate" dealer or store, flea market or temporary outlet for toys or other goods; (13) not permit the sale or display of any obscene, pornographic or "adult" materials or paraphernalia, including, without limitation, movies, videotapes, books, magazines or any related items, or make use of the same in any activities or advertising of Tenant or permit or conduct the operation of a "massage parlour" or any obscene, nude or semi-nude live performances at the Premises; (14) not permit the sale or display of any paraphernalia used in the preparation or consumption of controlled substances; (15) not use or permit the use of any portion of the Premises for any unlawful, improper, immoral or objectionable purposes or for any activity of a type which is not generally considered appropriate for similar Projects conducted in accordance with generally accepted standards of operation; (16) not commit or suffer to be committed any waste in, on or about the Premises; and (17) not keep or display any merchandise on or otherwise obstruct the malls, sidewalks, or any part of the Common Areas.

ARTICLE X
Insurance and Indemnity

10.01 Tenant's Insurance

(a) The Tenant will throughout the Term, at its expense, take out and maintain, in the name of the Tenant, the Landlord and the Mortgagee, as their respective interests may appear, the following insurance:

(i) insurance upon all property owned by the Tenant or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, and which is located within the Project including, but not limited to, fittings, installations, alterations, additions, partitions, trade fixtures, fixtures and anything in the nature of a leasehold improvement as well as the Tenant's stock-in-trade, furniture and personal property, in an amount of at least ninety (90%) percent of the full replacement cost with coverage against at least the perils of fire and standard extended coverage, including sprinkler leakage (where applicable), earthquake, flood and collapse. If there is a dispute as to the amount which comprises full replacement cost, the decision of the Landlord will be conclusive;

(ii) broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least ninety (90%) percent of the full replacement cost of all leasehold improvements and of all boilers, pressure vessels, heating and air-conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises; (it being understood, however, that the Tenant is not required to take out or maintain insurance on any part of the HVAC System of the Project);

(iii) business interruption insurance in an amount which will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in Section 10.01(a)(i) and Section 10.01(a)(ii) and other perils commonly insured against by prudent tenants or attributable to

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prevention of access to the Leased Premises or the Project as the result of such perils;

(iv) comprehensive general liability insurance including personal injury liability, contractual liability, non-owned automobile liability, employers' liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises and the Tenant's use of the Common Areas and Facilities, coverage to include the activities and operations conducted by the Tenant and any other Persons on the Leased Premises, and by the Tenant and any other Person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any other part of the Project. Such policies shall (1) be written on a comprehensive basis with inclusive limits of not less than $2,000,000.00 for bodily injury to any one or more Persons, or property damage, and such higher limits as the Landlord, acting reasonably, or the Mortgagee requires from time to time; and (2) contain a severability of interests clause and a cross-liability clause;

(v) tenants' legal liability insurance for the actual cash value of the Leased Premises, including the loss of use thereof;

(vi) standard owner's form automobile policy providing third party liability insurance with $1,000,000.00 inclusive limits, and accident benefits insurance, covering all licensed vehicles owned or operated by, or on behalf of the Tenant; and

(vii) any form of insurance as the Tenant or the Landlord, acting reasonably, or the Mortgagee requires from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.

(b) The policies mentioned in Sections 10.01(a)(i), 10.01(a)(ii) and 10.01(a)(iii) will contain the Mortgagee's standard mortgage clause and the policies mentioned in Section 10.01(a)(i), 10.01(a)(ii), 10.01(a)(iii) and 10.01(a)(iv) will contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible, whether the damage is caused by the act, omission or negligence of the Landlord or those for whom the Landlord is in law responsible.

(c) All policies, (i) will be taken out with insurers acceptable to the Landlord, (ii) will be in a form satisfactory from time to time to the Landlord, (iii) will be non-contributing with, and will apply only as primary and not as excess to any other insurance available to the Landlord or the Mortgagee, and (iv) will not be invalidated as respects the interests of the Landlord and of the Mortgagee by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies. All policies will contain an undertaking by the Insurers to notify the Landlord and the Mortgagee in writing by registered mail at least thirty (30) days before any material change, cancellation or termination of the policies.

(d) Certificates of insurance on the Landlord's standard form or, if required by the Landlord or the Mortgagee, certified copies of each of the insurance policies will be delivered to the Landlord as soon as possible after the placing of the required insurance but in any case before the Tenant obtains possession or use of the Leased Premises for any purpose. Each certificate will contain an acknowledgment, to be signed by the Tenant's insurers, that the insurers have read this Lease including Articles X and XII and that they agree to the terms of this Lease. No review or approval of any insurance certificate by the Landlord derogates from or diminishes the Landlord's rights or the Tenant's obligations contained in this Lease including, but not limited to those contained in this Article X.

(e) If the Tenant fails to take out or keep in force any insurance referred to in this Section 10.01, or should any of that insurance not be approved by either the Landlord or the Mortgagee, and should the Tenant not commence to diligently rectify (and afterwards to proceed diligently to rectify) the situation within forty- eight (48) hours after written notice by the Landlord to the Tenant (stating if the Landlord or the Mortgagee does not approve of the insurance, the reasons) the Landlord may, without assuming any obligation in connection with its doing so, effect the insurance at the Tenant's cost and all costs and expenses of the Landlord will be immediately paid by the Tenant to the Landlord as Additional Rent on the first day of the next month following the payment by the Landlord together with a fee of fifteen (15%) percent representing the Landlord's overhead. This right is without prejudice to the other rights and remedies of the Landlord under this Lease.

10.02 Increase in Insurance Premiums

The Tenant will comply promptly with all requirements of the Insurer's Advisory Organization and of each insurer pertaining to the Leased Premises or the Project. If the occupancy of the Leased Premises, the conduct of business in the Leased Premises, or any acts or omissions of the Tenant in the Project or any part of it cause an increase in premiums for the insurance carried from time to time by the Landlord of the Project, the Tenant will pay the increase as Additional Rent immediately after invoices for the additional premiums are rendered by the Landlord.

10.03 Cancellation of Insurance

If any insurance policy on the Project or any part of it is canceled, or threatened by the insurer to be canceled, or if the coverage under it is reduced in any way by the insurer because of the use or occupation of any part of the Leased Premises by the Tenant or by any occupant of any part of the Leased Premises, and if the Tenant fails to remedy the conditions giving rise to the cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours after notice by the Landlord, the Landlord may, either (a) re-enter and take possession of the Leased Premises immediately by leaving upon the Leased Premises a notice of its intention to do so upon which the Landlord will have the same rights and remedies as are contain in Article XVI, or (b) enter upon the Leased Premises and remedy the condition giving rise to the cancellation, threatened cancellation or reduction of coverage, and the Tenant will immediately pay the costs and expenses to the Landlord, together with a fee of fifteen (15%) percent of such costs and expenses representing the Landlord's overhead, which costs and expenses may be collected by the Landlord as Additional Rent and the Landlord will not be liable for any damage or injury caused to any property of the Tenant or others located on the Leased Premises as the result of the entry. Such an entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment.

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10.04 Loss or Damage

The Landlord will not be liable for any death or injury from or out of any occurrence in, upon, at, or relating to the Project, or damage to property of the Tenant or of others located on the Leased Premises, nor will it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, whether or not the death, injury, loss or damage results from the negligence of the Landlord, its servants, employees, or agents or other Persons for whom it may, in law be responsible. Without limiting the general nature of the previous sentence, the Landlord will not be liable for any injury or damage to Persons, or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances, plumbing works, roof, or subsurface of any floor or ceiling or from the street or any other place, or by dampness or by any other cause whatsoever. The Landlord will not be liable for any damage caused by other tenants or Persons in the Project or by occupants of adjacent property, or the public, or caused by construction or by any private, public or quasi public work. All of the property of the Tenant kept or stored on the Leased Premises will be kept or stored at the risk of the Tenant only, and the Tenant will indemnify the Landlord and save it harmless from any claims arising out of any damages to that property including, but not limited to, any subrogation claims by the Tenant's insurers.

10.05 The Landlord's Insurance

The Landlord will carry:

(a) insurance on the Project (excluding foundations and excavations) and the machinery, boilers and equipment contained in it and owned by the Landlord (excluding any property with respect to which the Tenant and other occupants are required to insure under Section 10.01 or similar Sections of their respective leases) against damage by fire and extended perils coverage in those reasonable amounts and with those reasonable reductions that would be carried by a prudent owner of a reasonably similar project, having regard to size, age and location.

(b) public liability and property damage insurance with respect to the Landlord's operations in the Project, in those reasonable amounts and with those reasonable deductions that would be carried by a prudent owner of a reasonably similar project, having regard to size, age and location; and

Those other forms of insurance which the Landlord or the Mortgagee considers advisable, including rental income insurance. Despite this Section 10.05, and regardless of any contribution by the Tenant to the costs of insurance premiums, (i) the Tenant is not relieved of any liability arising from or contributed to by its negligence or its willful acts or omissions, and (ii) no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord and the Tenant has no right to receive any proceeds of any such insurance policies.

10.06 Indemnification of the Landlord

Despite anything else in this Lease, including but not limited to Section 11.03, Section 10.05 and Section 6.02(b)(i), the Tenant will indemnify the Landlord and save it harmless from and against any and all loss (including loss of Rent, payable by the Tenant under this Lease) claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease or the management and operation of the Leased Premises or Common Facilities, or any occurrence in, upon or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises, or any part of them, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Leased Premises by the Tenant. If the Landlord, without fault on its part, is made a party to any litigation commenced by or against the Tenant, then the Tenant will protect, indemnify and hold the Landlord harmless and will pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in connection with that litigation. The Tenant will also pay all costs, expenses and legal fees (on a solicitor and his client basis) that were incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this Lease, unless a court decides otherwise.

ARTICLE XI
Maintenance, Repairs and Alterations

11.01 Maintenance and Repairs by the Tenant

The Tenant will, throughout the Term, at its sole cost, keep in first-class condition, as required by the Landlord, and will (subject to Sections 11.02 and 11.03) make, with due diligence and dispatch, the needed repairs and replacements to the following:

(i) the whole of the Leased Premises including, but not limited to entrances, all the glass, the windows and doors as well as their frames and moldings;

(ii) all signs (both interior and exterior), partitions and fixtures located in or upon the Leased Premises; and

(iii) all equipment and improvements in or benefiting the Leased Premises (including but not limited to lighting, wiring, plumbing, plumbing fixtures and equipment, and that part of the heating, ventilating and air-conditioning distribution systems contained within the boundaries of the Leased Premises). For clarity, it is stated here that the heating, ventilating and air-conditioning units, and related machinery do not form part of the heating, ventilating and air-conditioning distribution systems mentioned above.

11.02 Landlord's Approval of the Tenant's Repairs

(a) The Tenant will not make any repairs, alterations, replacements, decorations or improvements collectively called the **"Work"**) to the Leased Premises without first obtaining the Landlord's written approval. The Tenant will submit to the Landlord, (i) details of the proposed Work including drawings

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and specifications, (ii) whatever indemnification against liens, costs, damages and expenses the Landlord requires, and (iii) evidence that the Tenant has obtained the necessary consents, permits, licences and inspections from the governmental authorities having jurisdiction. The Work will be performed, (1) at the Tenant's sole cost, (2) by competent workmen whose labour union affiliations are compatible with others employed by the Landlord and its contractors, (3) in a good and workmanlike manner, (4) in accordance with the drawings and specifications approved by the Landlord, and (5) subject to the reasonable restrictions imposed by the Landlord.

(b) Despite anything else in this Lease, if maintenance or Work on the Leased Premises or any improvements installed by or on behalf of the Tenant for the benefit of the Leased Premises, (i) affect the structure of the Leased Premises, (ii) is to be done outside of the Leased Premises, or (iii) is to be done within the Leased Premises but on the part of the Common Areas and Facilities, the maintenance or Work will be performed only by the Landlord but at the Tenant's expense. Upon completion of the maintenance or Work, the Tenant will pay to the Landlord, upon demand, the Landlord's costs relating to the maintenance or Work including the fees of any architectural or other consultants and the payment will be made as Additional Rent on demand.

11.03 Maintenance and Repairs by the Landlord

Subject to Article XII, the Landlord will maintain and repair the structural elements of the Project and the Tenant will pay its Proportionate Share of the costs (except for the costs of repairing or replacing inherent structural defects or weaknesses) in accordance with Sections 6.02(b). However, if the Landlord is required, due to the business carried on by the Tenant, to perform the maintenance and repairs or replacement because of laws or other requirements of governmental authorities having jurisdiction or because of the act of omission, neglect or default of the Tenant, or those for whom the Tenant is in law responsible, the Tenant will pay for the total cost of the maintenance, repairs or replacements together with a sum equal to fifteen (15%) percent of the total costs representing the Landlord's overhead and the payment will be due and payable as Additional Rent upon demand.

11.04 Repair on Notice

In additional to the Tenant's obligations under Section 11.01, the Tenant will effect the maintenance and Work referred to in that Section in accordance with notice from the Landlord but failure to give the notice does not relieve the Tenant from its obligations under Section 11.01.

11.05 Surrender of the Leased Premises

On the expiry or earlier termination of the Term, the Tenant will peaceably surrender the Leased Premises to the Landlord in first class condition; will deliver all the keys for the Leased Premises to the Landlord at the place then fixed for the payment of rent and will inform the Landlord of all combinations of locks, safes and vaults, if any, in the Leased premises. The Tenant will also remove its trade fixtures, any alterations or improvements which the Landlord requests it to remove before surrendering the Leased Premises and will immediately repair any damage to the Leased Premises caused in the removal. This obligation survives the expiration of the Term or earlier termination of this Lease.

11.06 Repair where Tenant at Fault

Despite anything else in this Lease, including but not limited to Section 11.03, Section 10.05 and Section 6.02(b), if the Project or any part of it or the Common Areas and Facilities or any part of them, require repair or replacement because of the acts of the Tenant (negligent or otherwise) the costs together with the sum equal to fifteen (15%) percent of that cost representing the Landlord's overhead will be paid by the Tenant to the Landlord as Additional Rent on demand.

11.07 Tenant not to Overload Floors or Other Facilities

The Tenant will not install any equipment which overloads the capacity of any utility, electrical or mechanical facilities in the Leased Premises or which the Landlord does not approve of and the Tenant will not bring upon the Leased Premises any machinery, equipment or thing which might, in the opinion of the Landlord, damage the Leased Premises or the Project.

11.08 Removal and Restoration by the Tenant

(a) The alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf, immediately become the property of the Landlord and will not be removed from the Leased Premises except that, (i) the Tenant may, during the Term, in the usual course of its business, and with the prior written consent of the Landlord, remove the trade fixtures which it installed, but only if they have become excess for the Tenant's purpose or the Tenant is substituting new and similar trade fixtures, and the Tenant is not in default under this Lease, and (ii) the Tenant will, at the expiration of the Term, at its cost, remove all the trade fixtures installed in the Leased Premises and those leasehold improvements and fixtures installed in the Leased Premises which the Landlord requires to be removed.

(b) Upon the removal, in accordance with subparagraph (a) above, of the trade fixtures, leasehold improvements and fixtures installed in the Leased Premises, title to them will revert to the Tenant.

(c) To avoid doubt, it is stated here that the Tenant's trade fixtures do not include any, (i) heating, ventilating or air-conditioning systems, facilities and equipment in or serving the Leased Premises, (ii) floor coverings, ceilings, partitioning, draperies, (iii) light fixtures, (iv) washroom fixtures and hot water tank, (v) electrical house service including transformer, (vi) internal stairways, (vii) show windows and doors, and (viii) signs, all of which are leasehold improvements.

11.09 Notice by the Tenant

The Tenant will, when it becomes aware of it, or when the Tenant acting reasonably, should have become aware of it, notify the Landlord of any damage to, or deficiency or defect in the Project, including the Leased Premises,

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and any equipment or utility systems, or installations located on it, whether or not the Landlord has obligations to repair the damage, or remedy the deficiency or defect.

11.10 Liens

The Tenant will promptly pay its contractors, materialmen, suppliers and workmen and will do everything necessary to ensure that no lien is registered against the Project or any part of it, against the Landlord's interest in the Project, or against the Tenant's interest in the Leased Premises, and if such a lien is made, filed, or registered, the Tenant will discharge it or cause it to be discharged immediately at the Tenant's expense. If the Tenant fails to complete this obligation, the Landlord, in addition to its other remedies, may, but will not be required to, discharge the lien claimant and the amount so paid together with the costs and expenses including solicitors fees (on a solicitor and his client basis) and a fee of fifteen (15%) percent of such costs and expenses representing the Landlord's overhead, will be payable as Additional Rent on demand. The Tenant acknowledges that the Landlord under no circumstances authorizes the Tenant to contract on behalf of the Landlord for the construction of any work and any work carried out by the Tenant at the Leased Premises shall not bind the Landlord to any third party.

11.11 Signs and Advertising

The Tenant shall not paint, affix, or display any sign, picture, advertisement, notice, lettering or decoration on any part of the exterior of or in any part of the Leased Premises which is visible from the exterior of the Leased Premises, without, in each case, the prior written approval of the Landlord. All signs erected by the Tenant will be of uniform size, lettering and location as the signs of the other tenants in the Project. If the Landlord establishes a sign policy for the tenants of the Project, then the Landlord will be entitled to erect all of the signs and other advertising material in or on the Project advertising the respective tenants' business operations. The cost of the sign and the installation of it will be paid by the Tenant as Additional Rent on demand.

11.12 Pest Extermination

The Tenant will engage for the Leased Premises at its cost, whatever pest extermination contractors the Landlord directs and at intervals which the Landlord requires.

11.13 Cleaning

Tenant, at its expense, shall keep the Leased Premises clean and in good order to the reasonable satisfaction of Landlord. Tenant shall store all garbage in locations and in a manner designated by Landlord from time to time. Tenant shall arrange for the removal of garbage, at Tenant's cost, by a cartage company acceptable to Landlord during such hours as may be designated by Landlord from time to time or, Landlord may elect by written notice to Tenant to arrange for the removal of such garbage, at Tenant's cost, by Landlord's cartage company, and Tenant shall pay Landlord all charges therefore as Additional Rent, within ten (10) days after receipt of a bill therefore

11.14 Excess Waste or Garbage

If the Landlord determines that the Tenant's use of the Leased Premises results in amounts of waste or garbage substantially in excess of that resulting from the use by the other occupants of the Leasable Premises, the Landlord may, at the Tenant's sole expense, make or require the Tenant to make special arrangements for removal and disposal of waste and garbage at the Tenant's sole expense.

ARTICLE XII
Damage and Destruction and Expropriation

12.01 Destruction of the Leased Premises

(a) If the Leased Premises are destroyed or damaged (including, but not limited to smoke and water damage) as a result of a peril required to be insured against by the Landlord pursuant to Section 10.05 or otherwise insured against by the Landlord, and not caused by the Tenant, the following will apply:

(i) If the Leased Premises are rendered partially un-tenantable, then, subject to Section 12.02(a), the Landlord will do the Landlord's Work and Minimum Rent (but not Additional Rent) will abate proportionately to the part of the Leased Premises rendered untenantable from the date of the damage or destruction until the Landlord has completed the Landlord's Work. **"Landlord's Work"** in this Article XII means the reconstruction or repair of the floor, walls and roof of the Leased Premises to the extent which the Architect determines is necessary to enable the Tenant to do the repairs and replacements described in Section 11.01(a);

(ii) if the Leased Premises are rendered wholly untenantable, the Landlord will, subject to Section 12.02(a) complete the Landlord's Work and Minimum Rent (but not Additional Rent) will abate completely from the date of the damage or destruction until the Landlord's Work is completed, and

(iii) if part of the Project is rendered untenantable which does not form part of the Leased Premises and if the Leased Premises are not rendered untenantable in whole or in part, there will be no abatement of rent and subject to Section 12.02(a), the Landlord will complete the Landlord's Work.

(b) When the Landlord notifies the Tenant that the Landlord's Work has been substantially completed, the Tenant will complete all work other than the Landlord's Work required to fully restore the Leased Premises and will re-open the Leased Premises to the public for business fully fixtures, on the earliest date possible but in any case at least as early as thirty (30) days after notice that the Landlord's Work is substantially completed. The Tenant acknowledges that the Landlord is not required to rebuild or restore the Leased Premises to the same condition as existed before the damage or destruction.

12.02 Destruction of the Project

(a) Despite anything else in this Lease, if twenty-five (25) percent or more of the Rentable Area of the Project is damaged or destroyed or becomes unfit for occupancy or unsafe (including, but not limited to smoke and water damage) or destroyed, the Landlord may, within ninety (90) days following the occurrence, terminate this Lease by notice in writing to the Tenant with termination to be effective on the thirtieth (30th) day after the notice is given. Minimum Rent and Additional Rent will be due and payable without abatement until the effective date of the termination, unless the Leased Premises have been destroyed or damaged in which case Minimum Rent will abate as provided in Section 12.01(a) above.

(b) If the Landlord does not elect to terminate this Lease in accordance with Section 12.01(a), the Landlord will reconstruct or repair, if necessary, that part of the Project immediately adjacent to the Leased Premises, but only to the extent of the Landlord's responsibilities under the leases for the Leasable Premises. If the Landlord reconstructs or rebuilds the Project or any part of it, the Landlord may use plans and specifications and working drawings other than those used in the original construction of the Project or any part of it.

12.03 Expropriation

(a) The Landlord and the Tenant will co-operate with each other in respect of any expropriation of any part of the Leased Premises or the Project so that each receives the maximum award for which they are respectively entitled. If part of Project (other than the Leased Premises) is expropriated, the full proceeds accruing or awarded will belong solely to the Landlord and the Tenant will assign to the Landlord any rights which it may have or acquire in respect of those proceeds and will execute the documents which in the Landlord's opinion may be necessary to give effect to this intention.

(b) If more than fifty (50%) percent of the Rentable Area of the Project or more than fifty (50%) percent of the Common Areas and Facilities is expropriated, or if reasonable access to the Leased Premises is materially and adversely affected by the expropriating authority and the Tenant will have no claim against the Landlord for the value of any expired Term or for damages or otherwise. If the Landlord does not terminate this Lease as provided above, there will not be any reduction or abatement of Rents but if any part of the Leased Premises is expropriated and the Rentable Area of the Leased Premises is reduced, that reduced Rentable Area will be adjusted for the purposes of Minimum Rent and Additional Rent.

12.04 Architect's Certificate

The certificate of the Architect binds the parties as to each of the matters for determination under this Article.

ARTICLE XIII
Assignment, Subletting, Parting with Possession and Corporate Control

13.01 Consent Required

(a) The Landlord agrees that Nymax Industries cob as DBA Pc-Tek Computer and Silver Accounting Services Inc. will be permitted as sub-tenants in the premises. The Tenant will not assign this Lease in whole or in part, nor otherwise sublet, hypothecate, encumber or mortgage or in any way deal with or part with the whole or any part of the Leased Premises to any other party (all of which transactions are referred to in this Article XIII as **"Transfers"**) without prior written consent first being obtained from the Landlord, which consent may be subject to 13.01(b), will not be unreasonably withheld. The consent by the Landlord to any Transfer, will not constitute a waiver of the necessity for the Landlord's consent to any subsequent or other Transfer. This restriction on Transfers will be considered to take place by reason of failure by the Landlord to give notice to the Tenant within thirty (30) days as is required by Section 13.02.

(b) Despite **The Commercial Leases Act** of Ontario, or any statute passed to take the place of or to amend that Act, the Landlord will not be considered to be unreasonably withholding its consent, and may refuse to give its consent if its reason or reasons for doing so is based upon all or any of the following factors:

(i) any factor which a court of law would consider to be reasonable;

(ii) whether the tenant is currently in default of any material term of the lease;

(iii) whether the transferee has a good credit rating, is of substantial means, is capable of financing its acquisition of the Tenant's business and the Lease on terms and conditions at least as favourable as those originally obtained by the Tenant;

(iv) whether the transferee or any partnership of which the transferee was a member at the time or a corporation (other than one described in Section 13.04(b) of which the Tenant at the time was a shareholder, has become bankrupt or insolvent or has defaulted (other than by a minor technical default) under the terms of any lease for commercial or office premises whether leased from the Landlord or other parties;

(v) whether the Landlord has available for leasing to the transferee other space in the Project.

(c) If there is a permitted Transfer of this Lease, the Landlord may collect Rent from the transferee and apply the net amount collected to the Rent required to be paid under this Lease, but no acceptance by the Landlord of any payments by a transferee will be construed as a waiver of any right of the Landlord, or the acceptance of the transferee as tenant or a release of the Tenant from the performance of its obligations under this Lease. Any consent by the Landlord will be subject to the following conditions:

(i) the transferee will promptly execute an agreement agreeing with the Landlord to be bound by all the Tenant's obligations under this Lease as if the transferee had originally executed this Lease as tenant;

(ii) no assignment or sub-lease shall in any manner release the Tenant from its covenants and obligations hereunder and the Tenant will remain jointly and severally liable with the transferee on this Lease and will not be released from any obligations under this Lease as amended from time to time;

(iii) if the transferee agrees to pay to the Tenant a Rent or other amount, in respect of its use of the Leased Premises or any part of it in excess of the Rent payable by the Tenant to the Landlord, the Rent under this Lease will be increased so that it equals the Rent or amount payable by the transferee to the Tenant;

(iv) if the rate of the annual Minimum Rent is increased, the deposit mentioned in Section 4.02(d) will be increased accordingly.

13.02 Landlord's Option

If the Tenant intends to effect a Transfer, it will notify the Landlord and will provide with the notice full information concerning the transferee, including but not limited to complete credit, financial and business information. Within thirty (30) days after the date the Tenant gives to the Landlord the information mentioned above, the Landlord will notify the Tenant in writing that, (a) it consents to the Transfer, (b) that it does not consent to the Transfer, or (c) that it elects to terminate the Lease. If the Landlord elects to terminate this Lease, the Tenant will, within fifteen (15) days after receipt of the Landlord's notice of its election to terminate, notify the Landlord whether it will, (i) refrain from the Transfer, or (ii) accept the termination of the Lease. If the Tenant fails to deliver its notice within the fifteen (15) day period, this Lease will be terminated upon the expiration of that fifteen (15) day period. If the Tenant advises the Landlord that it intends to refrain from the Transfer, then the Landlord's election to terminate this Lease will have no effect.

13.03 No Advertising of the Leased Premises

The Tenant shall not advertise the whole or any part of the Leased Premises or this Lease for the purpose of a Transfer and will not permit any broker or other Person to do so on its behalf unless the complete text and format of the advertisement is first approved in writing by the Landlord.

13.04 Corporate Ownership

(a) If the Tenant is a corporation, any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, from time to time of all or any part of the corporate shares of the Tenant or of any parent or subsidiary corporation of the Tenant or any corporation which is an associate or affiliate of the Tenant within the meaning of The Business Corporations Act of Ontario which results in any change in the present effecting voting control of the Tenant by the Person holding that voting control at the date of execution of this Lease (or at the date of a Transfer to a corporation) will be considered for all purposes to be a Transfer to which Section 13.01 and Section 13.02 of this Lease apply. The Tenant will make available to the Landlord, all corporate books and records of the Tenant for inspection at all reasonable times.

(b) Section 13.04(a) does not apply to the Tenant as long as, (i) the Tenant is a public corporation whose shares are traded and listed on any recognized stock exchange in Canada or the United States, or (ii), the Tenant is a private corporation and is controlled by a public corporation described above in item (i).

13.05 Assignment or Transfer by the Landlord

If the Landlord sells, leases or otherwise disposes of the Project or any part of it, or if it assigns this Lease or any interest of the Landlord in it, then to the extent that the purchaser, transferee or assignee assumes the obligation of the Landlord under this Lease, the Landlord will, without further agreement, be released from all liability with respect to the Landlord's obligations under this Lease.

ARTICLE XIV
Access and Alterations

14.01 Right of Entry

(a) The Landlord may re-enter upon non-payment of rent of non-performance of covenants subject to the provisions of this Lease.

(b) It shall be lawful for the Landlord and its agents at all reasonable times during the terms of the Lease, to enter the Leased Premises to inspect the condition thereof. Where an inspection reveals repairs are necessary and required by the Lease to be done by the Tenant, the Landlord shall give the Tenant notice in writing, and thereupon the Tenant will, within fifteen (15) days from delivery of the notice, make, or commence making and diligently proceed to complete, the necessary repairs in a good and workmanlike manner.

(c) The Landlord or its agents and employees shall have the right at any time during business hours of the Tenant to enter upon the Leased Premises for the purpose of exhibiting same, provided that the exercise of such rights shall not unreasonably interfere with the Tenants business; provided that the Landlord shall have the right within three (3) months prior to the termination of the said term or any renewal thereof to place upon the Leased Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business, stating that the Leased Premises are to let; further, provided the Tenant will not remove such notice or permit the same to be removed. The Landlord and its agents and employees shall also be permitted to enter upon the Leased Premises within the aforesaid period to show the same to prospective tenants.

ARTICLE XV
Status Statement, Attornment and Subordination

15.01 Status Statement

Within ten (10) days after a written request by the Landlord, the Tenant will deliver, in a form supplied by the Landlord, a status statement or certificate to any proposed mortgagee or purchaser of the Project, or to the Landlord stating the following:

(a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements) or if this Lease is not in full force and effect, the certificate shall so state;

(b) the Commencement Date;

(c) the date to which Rent has been paid under this Lease;

(d) whether or not there is any existing default by the Tenant in the payment of any Rent or other sums of money under this Lease, and whether or not there is any other existing or alleged default by either party under this Lease with respect to which a notice of default has been served and if there is any such default, specifying the nature and extent of it;

(e) whether there are any set-offs, defenses or counterclaims against enforcement of the obligations to be performed by the Tenant under this Lease; and

(f) with reasonable particularity, details respecting the Tenant's and any Indemnifier's financial standing and corporate organization.

(g) The Tenant will, upon request, provide the Landlord with such information as to the Tenant's or the Indemnifier's financial standing and corporate organization as the Landlord or the Mortgagee requires. Failure of the Tenant to comply with the Landlord's request will be a default under this Lease.

15.02 Subordination of Lease

This lease is subject and subordinate to all ground or underlying leases and to all mortgages including any deed of trust and mortgage securing bonds and all indentures supplemental thereto which may now or hereafter affect such leases and the parcel of leasehold land constituted thereby, and to all renewals, modifications, consolidations, replacements and extensions thereof. The Tenant agrees to execute promptly a certificate in confirmation of subordination as the Landlord may request and hereby constitutes the Landlord the agent or attorney of the Tenant for the purpose of executing the certificate and of making application at any time and from time to time to register postponements of this lease in favour of any mortgage in order to give effect to the foregoing provisions of this paragraph.

ARTICLE XVI
Default

16.01 Event of Default

An **"Event of Default"** will be considered to have occurred when any one or more of the following happens:

(a) the Tenant fails to pay any Rent or Additional Rent when they are due and failure continues for three (3) days after written notice from the Landlord to the Tenant of the failure;

(b) the tenant fails to observe or perform any other of the terms, covenants, conditions or agreements contained in this Lease and failure continues for ten (10) days after notice from the Landlord to the Tenant specifying the failure;

(c) the terms of any of the goods, chattels, or fixtures of the Tenant on the Leased Premises are seized or taken in execution or attached by any creditor;

(d) a writ of execution, sequestration or extent issues against the goods, chattels or fixtures of the Tenant;

(e) the Tenant makes a bulk sale without complying with The Bulk Sales Act of Ontario or any successor of it;

(f) the Tenant sells or disposes of the goods, chattels or fixtures or removed them or any of them from the Leased Premises without complying with Section 11.08;

(g) the Leased Premises remain vacant for fifteen (15) consecutive days while they are suitable for use by the Tenant;

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(h) the Leased Premises are used by any Person other than those Persons entitled to use them under this Lease;

(i) the Tenant or any Indemnifier makes an assignment for the benefit of creditors or commits any act of bankruptcy as defined in the Bankruptcy Act of Canada or any successor of it, or becomes bankrupt or insolvent or takes the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors;

(j) an order is made for the winding-up or liquidation of the Tenant or the Tenant voluntarily commences winding-up procedures for liquidation, and

(k) an order or appointment is made for a receiver or a receiver and manager of the Tenant's assets or any part of them.

16.02 Rights of the Landlord

Upon the occurrence of any Event of Default, the following provisions apply:

(a) The Landlord will be entitled to re-enter the Leased Premises and remove all property from the Leased Premises and the property may be sold or disposed of by the Landlord as it considers advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice or resort to legal process and without the Landlord being guilty of trespass or being liable for any loss or damage which may be occasioned;

(b) the Landlord may without notice re-enter and take possession of the Leased Premises as though the Tenant or any occupant or occupants of the Leased Premises was or were holding over after the expiration of the Term, without any right whatever, and this Lease and the Term will be terminated;

(c) if the Landlord elects to re-enter the Leased Premises as provided in this Article, or if it takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time, without terminating this Lease, make those alterations and repairs which are necessary in order to re-let the Leased Premises or any part of them for the term or terms (which may be for a term extending beyond the Term) and at the Rent and upon those other terms, covenants and conditions which the Landlord in its discretion considers advisable. Upon each re-letting, the Rent received by the Landlord from the re-letting will be applied, first, to the payment of any indebtedness other than Rent due under this Lease from the Tenant to the Landlord; second, to the payment of any costs and expenses of the re-letting including brokerage fees and solicitors' fees and the costs of the alterations and repairs; third, to the payment of Rent due and unpaid under this Lease, and the residue, if any, will be held by the Landlord and applied as payment of future Rent as it becomes due under this Lease. If the Rent received from the re-letting during any month is less than that to be paid during that month by the Tenant under this Lease, the Tenant will pay the deficiency, which will be calculated and paid monthly in advance on or before the first (1st) day of each month. No re-entry or taking possession of the Leased Premises by the Landlord will be construed as an election on its part to terminate this Lease unless a notice of that intention is given to the Tenant. Despite any re-letting without termination, the Landlord may at any time afterwards elect to terminate this Lease for the previous breach. If the Landlord at any time terminates this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it incurs by reason of the breach including the costs of recovering the Leased Premises, solicitors' fees (on a solicitor and his client basis) and including the worth at the time of the termination, of the excess, if any, of the amount of Rent and charges equivalent to Rent required to be paid under this Lease for the remainder of the stated Term over the then reasonable rental value of the Leased Premises for the remainder of the stated Term. All of the mentioned amounts will be immediately due and payable by the Tenant to the Landlord, and

(d) the full amount of the current month's installment of Minimum Rent and Additional Rent together with the next three (3) months installments of Minimum Rent and Additional Rent, all of which will be deemed to be accruing on a day-to-day basis, will immediately become due and payable as accelerated Rent and the Landlord may immediately distrain for the accelerated Rent together with any arrears.

16.03 Expenses

If legal action is brought for recovery of possession of the Leased Premises, for the recovery of Rent or any other amount due under this Lease, or because of the breach of any other terms, covenants or conditions contained in this Lease on the part of the Tenant to be kept or performed, and a breach if established, the Tenant will pay to the Landlord all expenses incurred with it, including a solicitor's fee (on a solicitor and his client basis also known as full and complete indemnity), unless a court shall otherwise award.

16.04 Removal of Chattels

If the Tenant removes his goods and chattels from the Leased Premises, the Landlord may follow same for thirty (30) days in the same manner as is provided for in The **Commercial Leases Act** (Ontario).

16.05 Waiver of Exemption from Distress

Despite anything contained in The **Commercial Leases Act** of Ontario or any Statute passed to take its place or amend it, none of the goods and chattels of the Tenant at any time during the Term, on the Leased Premises will be exempt from levy by distress for Rent in arrears and if any claim is made for such an exemption by the Tenant, or if distress is made by the Landlord, this Section may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying upon any of those goods as are named as exempted in any Sections of that Act or any amendments of it. The Tenant waives the rights which it has or which it might have or which it might have under any of the Sections of the Act, or any amendments of it, were it not for this provision.

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16.06 Landlord May Cure the Tenant's Default or Perform the Tenant's Covenants

In addition to its other rights and remedies, the Landlord, if the Tenant defaults under this Lease, may remedy or attempt to remedy the default of the Tenant to third parties and may enter upon the Leased Premises to do any work or other things on them in which case all the Landlord's costs and expenses will be payable together with a fee of fifteen (15%) percent of all those costs and expenses representing the Landlord's overhead, as Additional Rent on demand. The Landlord will not be liable for any loss or damage resulting from any action or entry by the Landlord under this Section and will not be considered to have breached any covenant for quiet enjoyment.

16.07 Remedies Generally

Mention in this Lease of any particular remedy of the Landlord for a default or Event of Default by the Tenant does not preclude the Landlord from any other remedy in respect of it. No remedy will be exclusive or dependent upon any other remedy, but the Landlord may from time to time exercise one or more of its remedies generally or in combination, those remedies being cumulative and not alternative. Whenever the Tenant seeks a remedy in order to enforce the observance or performance of one or more of the obligations of the Landlord under this Lease, the Tenant's only remedy will be for damages. The Tenant will not apply for injunctive relief and this provision may be pleaded as an estoppel in any proceedings taken by the Tenant to obtain injunctive relief.

ARTICLE XVII
Environmental, Fire and Health Regulations

17.01 The Tenant shall not do or permit anything to be done in or upon the Leased Premises or bring or keep anything herein which will in any way conflict with the laws relating to fire or with the regulations of the Fire or Health. The Tenant shall not do or permit anything to be done in or upon the Leased Premises or the property or bring or keep anything herein which will in any way conflict with any laws relating to toxic, hazardous or noxious waste of any governmental body. The Tenant covenants to remedy any adverse environmental conditions affecting the Leased Premises at the termination or expiration of the lease term or any renewal thereof so that the lands do not contain any contaminants as the term is defined in the *Environmental Protection Act*.

The Tenant covenants not to produce or store on the Leased Premises any toxic or hazardous substances or any other substance which if permitted to escape would contaminate the premises or any part of the property. The Tenant covenants that the escape of any of the permitted toxic or hazardous substances shall not cause permanent contamination of the premises or any part of the property and the Tenant shall immediately cleanup such escape or spill and save harmless the Landlord with respect to such spill and cleanup even after the expiration or termination of the lease.

The Tenant covenants and agrees to obtain a policy of insurance against the risk of an environmental spill and cleanup as a result of a fire or other occurrences covered under a standard Industrial Fire and Extended Coverage Policy which shall save harmless the Landlord and note the Landlord as an insured thereon. The Tenant shall submit the policy for approval of the Landlord to ensure that the policy adequately covers the Landlord against such an environmental spill and cleanup which approval shall not be unreasonably withheld.

ARTICLE XVIII
Miscellaneous

18.01 Miscellaneous

The Rules and Regulations adopted and promulgated by the Landlord from time to time are a part of this Lease as set out in Schedule "C" attached, and the Tenant will comply with and observe them. The Rules and Regulations will be adopted and promulgated by the Landlord acting reasonably. The Tenant's failure to keep and observe the Rules and Regulations is a default under this Lease in such manner as if the Rules and Regulations were set out as covenants in this Lease. The Landlord may from time to time amend or supplement the Rules and Regulations. Notice of the Rules and Regulations and amendments and supplements, if any, will be given to the Tenant and the Tenant's obligation to comply with and observe them rises upon its being notified. The Rules and Regulations will not conflict with or contradict the other provisions of this Lease. The Landlord will not be responsible to the Tenant for non-observance or violation by other tenants or occupants of Leasable Premises, of the Rules and Regulations or of the terms, covenants or conditions of any other lease of premises in the Project.

18.02 Overholding

If the Tenant remains in possession of the Leased Premises after the end of the Term with the consent of the Landlord but without having executed and delivered a new lease, the Tenant will be considered to be occupying the Leased Premises as a Tenant from month to month on the same terms and conditions as set out in this Lease including the payment of Additional Rent.

18.03 Successors

The rights and liabilities herein granted to or imposed upon the respective parties to this Lease, extend to and bind the successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and assigns of the Tenant. No rights, however, enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing in accordance with Section 13.01. If there is more than one Tenant, they are all bound jointly and severally by the terms, covenants and conditions in this Lease.

18.04 Tenant Partnership

If the Tenant is a partnership (the **"Tenant Partnership"**) each Person who is presently a member of the Tenant Partnership, and each Person who becomes a member of any successor Tenant Partnership, will be and continue to be liable jointly and severally for the full and complete performance of, and will be and continue to be subject to the terms, covenants and conditions of this Lease, whether or not that Person ceases to be a member of the Tenant Partnership or successor Tenant Partnership.

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18.05 Waiver

The waiver by the Landlord of any breach of an obligation by the Tenant is not to be considered a waiver of any subsequent breach of the obligation or any other obligation. The subsequent acceptance of Rent by the Landlord is not to be construed as a waiver of any preceding breach by the Tenant of any obligation under this Lease, regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of that Rent. No obligation will be considered to have been waived by the Landlord unless such waiver is in writing by the Landlord.

18.06 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly payment of Minimum Rent is to be construed as other than on account of the earliest stipulated Minimum Rent, nor is any endorsement or statement on any cheque or any letter accompanying any cheque or payment as Rent to be considered an acknowledgment of full payment or an accord and satisfaction, and the Landlord may accept payment and cash cheques without prejudice to the Landlord's right to recover the balance of the Rent or pursue its other remedies.

18.07 Notices

(a) Any notice, demand, request or other instrument which may be or is required to be given under this Lease will be delivered in person or sent by registered mail prepaid and will be addressed:

(i) **if to the Landlord,**

MUCHER ENTERPRISES LIMITED
c/o H.D. Property Management
P.O. Box 54612
1771 Avenue Road
North York, Ontario M5M 4N5
Attn: Howard Dixon

or to such other person or at such other address as the Landlord designates by written notice; and

(ii) **if to the Tenant**, at the Leased Premises, or, at the Landlord's option, to the Tenant's head office at:

ACORA ACOUSTICS CORPORATION
1821 Albion Road #13-14
Toronto, ON. M9W 5W8
Valerio Cora

(b) Any notice, demand, request or consent is conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or, if mailed, then seventy-two (72) hours following the date of mailing and the time period referred to in the notice begins to run from the time of writing to the other of any change of address of the party giving the notice and upon the giving of that notice the address specified in it will be considered to be the address of the party for the giving of notices under this Lease. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument will be delivered in person.

18.08 Registration

The Tenant will not register this Lease, notice of this Lease, or any other document related to this Lease nor any notice of those documents against the lands nor any part of them until it has obtained from the Landlord its approval in writing concerning the form and content of the document to be registered. The Tenant will be responsible for payment to the Landlord of its expenses including legal fees and disbursements in connection with its review and approval.

18.09 Quiet Enjoyment

If the Tenant pays the Rent and other sums herein provided for under this Lease, and observes and performs all the terms, covenants and conditions on its part to be observed and performed, the Tenant will peaceably and quietly hold and enjoy the Leased Premises for the Term demised under this Lease, without hindrance or interruption by the Landlord or any other Person lawfully claiming by, through or under the Landlord subject, however, to the terms, covenants and conditions of this Lease.

18.10 Force Majeure

Notwithstanding any other provision contained herein, in the event that the Landlord should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay.

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18.11 Confidentiality

The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

IN WITNESS WHEREOF the Landlord and the Tenant have signed and sealed this Lease.

SIGNED, SEALED and DELIVERED
in the presence of:

MUCHER ENTERPRISES LIMITED

Howard Dixon
Digitally signed by Howard Dixon
DN: C=CA, E=hadixon@hotmail.com, O=H D Property Management and H Dixon Construction, OU=1179066 Ontario Limited o/a, CN=Howard Dixon
Date: 2022.12.06 20:33:36-05'00'

Per ____________________
(LANDLORD)

ACORA ACOUSTICS CORPORATION

Per ____________________
(TENANT)

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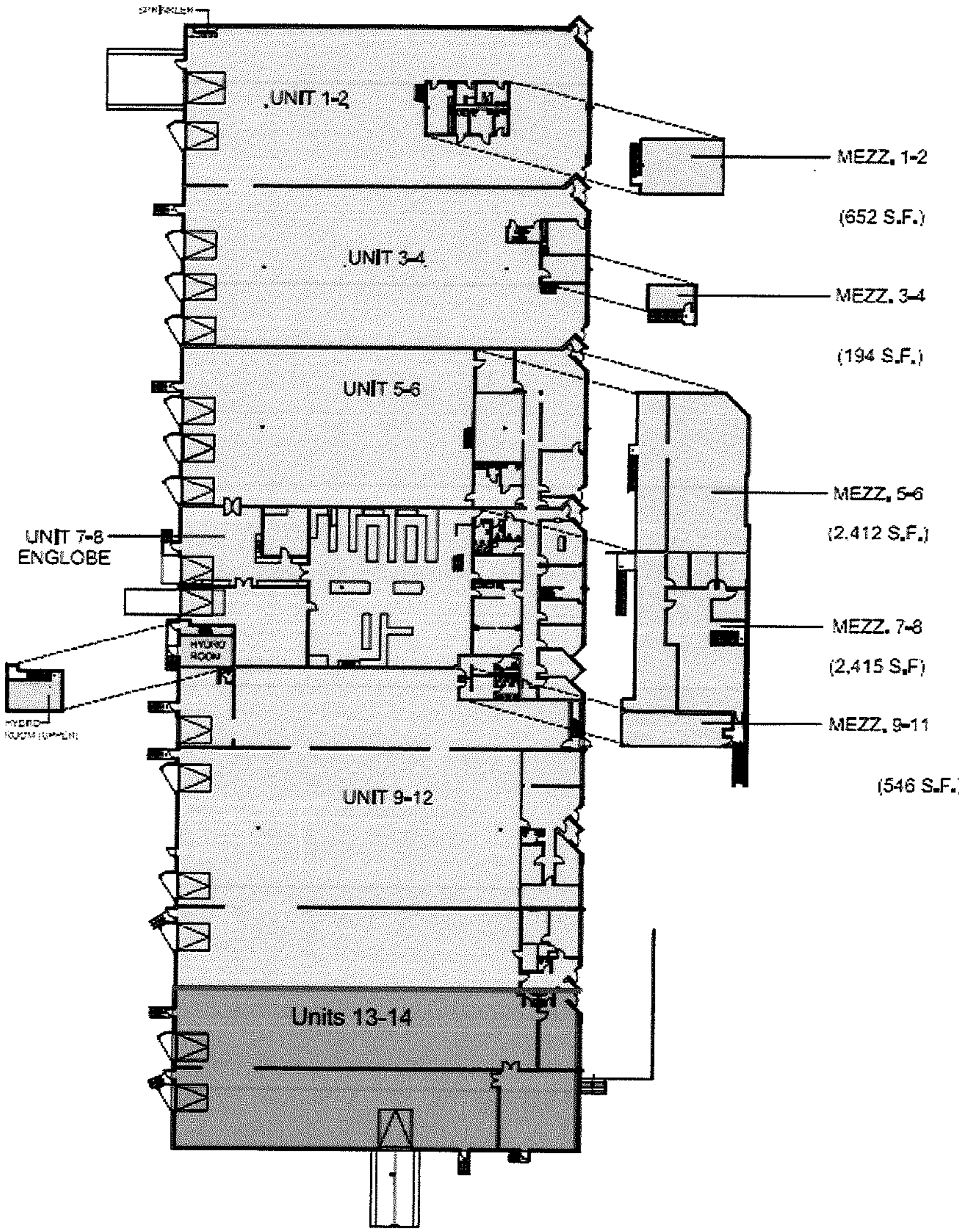
SCHEDULE "A"

PLAN



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SCHEDULE "B"

1801, 1811 and 1821 Albion Rd, Etobicoke Ontario

The land hereinafter particularly described namely;

FIRSTLY: Those parts of Lot 38 Concession 3, Northern Division fronting the Humber in the Borough of Etobicoke in the Municipality of Metropolitan Toronto and designated as PARTS 3 and 4 on Plan 66R-5293, recorded in the Land Registry Office for the Land Titles Division of Toronto and York (No. 66) at Toronto.

Subject to an easement or right in the nature of an easement in favour of KAGERA HOLDINGS LIMITED over Part 4 on said Plan 66R-5293, for the purpose of constructing, reconstructing, maintaining and using a railway siding and appurtenances thereto, with the provisions and covenants as set out in B-296831.

SECONDLY: That part of Lot 38 Concession 3, Northern Division fronting the Humber in the Borough of Etobicoke in the Municipality of Metropolitan Toronto and designated as PART 2 on Plan 66R-6169, recorded in the Land Registry Office for the Land Titles Division of Toronto and York (No. 66) at Toronto.

Subject to an easement or right in the nature of an easement to enter upon that part of Lot 38 Concession 3, Northern Division fronting the Humber and designated as PART 2 on said Plan 66R-6169, for the purpose of constructing, re-constructing, maintaining and using a railway siding and appurtenances thereto, as set out in B-296832.

THIRDLY: That part of Lot 38 Concession 3, Northern Division fronting the Humber the Borough of Etobicoke in the Municipality of Metropolitan Toronto and designated as PART 2 on Plan 66R-6571, recorded in the Land Registry Office for the Land Titles Division of Toronto and York (No. 66) at Toronto.

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SCHEDULE "C"
RULES AND REGULATIONS

1. The sidewalk, entry passages, fire escapes and common stairways, if any, shall not be obstructed by any of the tenants or used by them for any other purpose other than for the ingress and egress to and from their respective Leased Premises. Tenants will not place or allow to be placed in the Building, corridors or public stairways, if any, any waste paper, dust, garbage, refuse or anything whatever that would tend to make them unclean or untidy.

2. The windows that reflect or admit light into passageways and common areas of the Building, if any, shall not be covered or obstructed by any of the tenants and awnings shall not be put up without the written consent of the Landlord.

3. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, or other substances shall be thrown therein. Any damage resulting by misuse shall be borne by the Tenant by whom or by those agents, servants, or employees the same is caused. Tenants shall not let the water run unless it is in actual use, nor shall they deface any part of the Building.

4. No Tenant shall do or permit anything to be done in the premises or bring or keep anything therein which will increase the risk of fire or obstruct or interfere with the rights of other tenants or violate or act at variance with the laws relating to fires or with the regulations of the Fire Department, or the Board of Heath.

5. Tenants, their clerks or servants, shall not interfere with other tenants or those having business with them.

6. Nothing shall be thrown by the tenants, their clerks or servants, out of windows or doors or down the passages of the Building.

7. No birds or animals shall be kept in or about the Leased Premises nor shall the tenants operate or permit to be operated any musical or sound producing instrument or device inside or outside the Leased Premises which may be heard outside the Leased Premises.

8. No one shall use the Leased Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for business purposes.

9. All tenants must observe strict care not to allow their windows or doors to remain open so as to admit rain or snow or so as to interfere with the heating of the Building. Any injury or damage caused to the Building or its appointments, furnishings, heating and other appliances or to any other tenant by reason of windows or doors being left open so as to admit rain or snow or by interferences with or neglect of the heating appliances or by reason of the tenant or any other person or servant, subject to it, shall be made good by the tenant in whose premises the neglect, interferences or misconduct occurred.

10. It shall be the duty of the respective tenants to assist and co-operate with the Landlord in preventing injury to the premises demised to them respectively.

11. No inflammable oils or other inflammable, dangerous or explosive materials shall be kept or permitted to be kept in the Leased Premises. Nothing shall be placed on the outside of window sills or projections.

12. No bicycles or other vehicles shall be brought within the Building except in the parking garage, if any.

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SCHEDULE "D"
CHARGES FOR HEATING AND AIR-CONDITIONING

A. THE HVAC SYSTEM

The heating, ventilating and air-conditioning system (the **"HVAC System"**) of the Project is composed of all heating, ventilating and air-conditioning equipment and facilities provided or operated and maintained by the Landlord and includes from time-to-time, but is not limited to, any roof-top, ceiling or wall-mounted, or window heating, ventilating or air-conditioning units installed or maintained by the Landlord; the fuel and power facilities of the systems, and distribution piping, air-handling units and common fan coil and ventilation units which form part of the system; and monitoring, energy saving and control systems including the thermostat in each of the individual units supplied by the HVAC System and those ventilation systems which serve more than one tenant.

B. THE HVAC CHARGE

(a) In each Rental Year, the total costs (the **"HVAC Costs"**) of the following services (the **"Services"**); operating, maintaining, repairing and replacing the HVAC System, will be determined by the Landlord. The HVAC Costs include, but are not limited to, costs for labour including fringe benefits, domestic water, chemicals, lubricants and maintenance contracts, obtaining engineers' advice concerning the HVAC System and a fee of fifteen (15%) percent of the total of the HVAC Costs representing the Landlord's overhead.

(b) The Tenant will pay during each Rental Year, monthly in advance, as Additional Rent, a charge (the **"HVAC Charge"**) being its share of the HVAC Costs for the Project determined by multiplying the amount so obtained by a fraction, the numerator of which is the Rentable Area of those leaseable Premises or parts of them occupied throughout the period, and the denominator of which is the total area of the Project

(c) The Tenant's HVAC Charge may be estimated by the Landlord for whatever period the Landlord determines from time to time and the Tenant will pay as Additional Rent, to the Landlord, the Tenant's HVAC Charge as so determined, in monthly installments in advance during that period.

C. THE SUPPLEMENTARY CHARGE

If the Landlord, on the advice of its engineer, determines that the Tenant's use of the HVAC System imposes abnormal demands on the system, the Tenant agrees to pay an amount determined by the Landlord, acting on the advice of its engineer, as Supplementary Charge which Supplementary Charge will be payable on demand at times, and in the manner determined by the Landlord.

D. LANDLORD AND TENANT RESPONSIBILITIES

(a) The Landlord will operate, maintain, repair and replace the HVAC System, which costs are defined and described in Paragraph B(a) above, but the Tenant will be solely responsible for repairing and replacing equipment damaged because of misuse, or the failure of the Tenant to comply with Section 8.01 of this Lease.

(b) The Tenant will not nor will it permit anyone else to enter on the roof of any buildings in the Project for any purpose unless accompanied by a representative designated by the Landlord for that purpose. Damage caused to the Project or the HVAC System which occurs during any period of time when the Tenant is in default of this subparagraph (b), will be deemed to have been caused by the Tenant.

SCHEDULE "E"
OPTION TO RENEW
LEASE BETWEEN MUCHER ENTERPRISES LIMITED AND
ACORA ACOUSTICS CORPORATION

1. IF

(i) the Tenant pays the Rent (including Minimum Rent and Additional Rent) in accordance with this Lease, and performs all of its other obligations under this Lease:

(ii) the Tenant is not in default under this Lease;

(iii) the Tenant is ACORA ACOUSTICS CORPORATION and is still in possession of the whole of the Leased Premises for the use as provided in the lease (the Tenant here acknowledging that this Option is personal to it); and

(iv) the Tenant gives written notice to the Landlord of its intention to renew this Lease, no later than three months prior to the Expiry Date:

2. THEN THE TENANT SHALL HAVE 1 OPTION TO RENEW this Lease for a period of FIVE (5) years (the "Extended Term") upon the same terms and conditions except that:

(i) the Tenant will not have the option to renew this Lease or to extend the term for any period after the expiry of the Extended Term;

(ii) the Landlord may require that the Tenant, (a) execute a net lease for the Extended Term on the Landlord's standard net lease form for the Project then in use, or (b) enter into an Extension Agreement prepared by the Landlord at the Tenant's expense to give effect to the Extended Term;

(iii) (iii) the Minimum Rent payable will be the prevailing fair market rental rates for similar space in a similar area in which the Premises are situate, and if the Landlord and the Tenant are unable to agree on prevailing fair market rental then the rental rate shall be determined in accordance with the provisions of the Arbitration Act of Ontario;

(iv) This option to renew is personal to the tenant and not transferable to any other Tenant.

HD INITIAL

SCHEDULE "F"
LANDLORD'S WORK

The Landlord, at its sole expense, shall:

1) Replace the ceiling tiles in the existing office area
2) Finish paint and provide laminate flooring in the existing office space
3) Renovate the 3 existing 2-piece washrooms
4) Provide window coverings for the existing office area windows
5) Infill with masonry the opening in the existing block wall between unit #12 and unit #13. All other existing masonry walls and openings other than what is set out above to remain
6) Pressure wash and dry fall paint roof deck
7) Prime and paint all block walls and metal sandwich panel walls
8) Supply and install new LED lighting throughout the warehouse area and existing office area
9) Make good all existing electrical HVAC installations and warranty same for a period of 30 days

INITIAL

HD

SCHEDULE "G"
LANDLORD'S CAPITAL CONTRIBUTION

The Landlord will provide a capital contribution in the amount of Eighty Thousand Dollars and No Cents ($80,000.00) + HST to be used toward such Tenant's improvements to the leased premises as approved by the Landlord in its sole and absolute discretion.

Such improvements to include but not be limited to demising partitions, and office improvements.

For clarity, it is understood and agreed that the Landlord's capital contribution is in addition to all work required to be completed by the Landlord under this lease.

HD INITIAL

COMPILED FINANCIAL INFORMATION

ACORA ACOUSTICS CORPORATION

SEPTEMBER 30, 2025

This is Exhibit "D" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

CONTENTS

G&G PARTNERSHIP, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Jeff Goldberg, BBA, MBA, CPA, CA, LPA, CPA (Illinois) Managing Partner
Peter Poulimenakos, BComm, CPA, CA, LPA Senior Partner
Philip Goldband, BComm, CPA, CA, LPA, CFP, CPA (Illinois)
Debbie Spence, Associate Partner
YongHo Choi, BA, CPA, CA, LPA, CPA (Delaware)
Edward But, BBA, CPA, CA, LPA
Oksana Bernatonis, MFin, CPA, CA
Aidan Tam, CPA, CA

COMPILATION ENGAGEMENT REPORT

To Management of Acora Acoustics Corporation,

On the basis of information provided by management, we have compiled the balance sheet of Acora Acoustics Corporation as at September 30, 2025, and the statements of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

G&G Partnership, LLP

TORONTO, March 31, 2026

G & G PARTNERSHIP, LLP
LICENSED PUBLIC ACCOUNTANTS

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ACORA ACOUSTICS CORPORATION

BALANCE SHEET

SEPTEMBER 30, 2025

(Unaudited - See Compilation Engagement Report)

ASSETS

Current		
Cash	$ 416,058	
Accounts receivable	281,531	
Inventory	1,255,531	
Sales taxes recoverable	87,933	
Prepaid and sundry assets	23,219	$ 2,064,272
Non-Current		
Capital (net of accumulated amortization)		391,257
		$ 2,455,529

LIABILITIES

Current		
Accounts payable and accrued liabilities	$ 219,029	
Customer deposits	245,213	$ 464,242
Long-Term		
Loans payable to related companies		6,673,256
Total Liabilities		7,137,498

SHAREHOLDERS' DEFICIENCY

Capital Stock	400,100	
Deficit	(5,082,069)	(4,681,969)
		$ 2,455,529

ACORA ACOUSTICS CORPORATION

STATEMENT OF DEFICIT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Unaudited - See Compilation Engagement Report)

Deficit, beginning of year	$ (4,181,422)
Prior period adjustment	61,182
As restated	(4,120,240)
Net loss	(961,829)
Deficit, end of year	$ (5,082,069)

ACORA ACOUSTICS CORPORATION

STATEMENT OF LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Unaudited - See Compilation Engagement Report)

REVENUE		
Sales		$ 989,781
COST OF SALES		
Inventory, beginning of year	$ 1,084,903	
Purchases and materials	611,844	
Research and development	298,110	
Direct labour	79,660	
Freight and delivery	77,503	
Amortization	21,048	
	2,173,068	
Inventory, end of year	1,255,531	917,537
GROSS PROFIT		72,244
MANAGEMENT FEE REVENUE		169,153
		241,397
EXPENSES		
Financing (as per schedule)	473,193	
General and administrative (as per schedule)	374,233	
Sales and marketing (as per schedule)	186,422	
Foreign exchange	140,194	
Amortization	30,679	
	1,204,721	
Less: Canada carbon rebate	1,495	1,203,226
NET LOSS		$ (961,829)

ACORA ACOUSTICS CORPORATION

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Unaudited - See Compilation Engagement Report)

FINANCING		
Interest	$ 471,928	
Bank charges	1,265	$ 473,193
GENERAL AND ADMINISTRATIVE		
Occupancy costs	$ 246,601	
Professional fees	55,312	
Management fees	41,366	
Office and general	13,465	
Insurance	10,158	
Travel	4,077	
Courier	1,173	
Wages and benefits	756	
Meals and entertainment	665	
Hardware and software	606	
Telephone	54	$ 374,233
SALES AND MARKETING		
Marketing and promotion	$ 80,976	
Travel	54,363	
Courier	22,558	
Professional fees	12,520	
Wages and benefits	11,134	
Office supplies	3,829	
Meals and Entertainment	828	
Software	214	$ 186,422

ACORA ACOUSTICS CORPORATION

NOTE TO COMPILED FINANCIAL INFORMATION

SEPTEMBER 30, 2025

(Unaudited - See Compilation Engagement Report)

1. **BASIS OF ACCOUNTING**

The basis of accounting applied in the preparation of the balance sheet of Acora Acoustics Corporation as at September 30, 2025, and the statement of loss for the year then ended is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable
- inventory valued at the lower of cost and net realizable value
- prepaid and sundry assets consist of amounts paid in advance of future services and are expensed in the period the service is received
- capital assets amortized over their estimated useful lives
- accounts payable and accrued liabilities
- customer deposits represent amounts invoiced in advance and is recognized as revenue when the services have been completed or the products have been delivered.
- government assistance recorded when there is reasonable assurance that the company has complied with all conditions relating to the assistance and application forms have been filed
- foreign currencies translated to Canadian funds using the temporal method

This is Exhibit "E" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

A COMMISSIONER FOR TAKING AFFIDAVITS

Acora Acoustics Corporation Income Statement - Monthly Analysis Summary

Reporting Currency : CAD Dollar   Report Fiscal Year : 2026

P&L - Local Currency	October	November	December	January	February	March	April	May	June	July	August	September	YTD	% of Sales	FY2025	% of Sales
Sales	**38,582.05**	**591,511.05**	**233,453.86**	**58,893.65**	**20,558.84**	**66,502.77**	**85,410.76**	**42,618.05**					**1,137,531.03**	100.0%	**989,780.68**	100.0%
Cost of Goods Sold																
COGS	17,102.14	120,569.40	70,348.63	55,201.44	45,217.30	58,666.45	83,796.01	44,031.09					494,932.46	43.5%	541,923.53	54.8%
Freight Cost	2,086.23	2,726.16	15,063.13	8,546.38	12,615.31	6,578.15	21,731.09	6,714.65					76,061.10	6.7%	77,503.17	7.8%
R&D Cost	838.98	13,252.81	3,252.31	55,040.04	29,680.38	32,572.54	(13,041.03)	29,696.06					151,292.09	13.3%	398,628.78	40.3%
Total Cost of Goods Sold	**20,027.35**	**136,548.37**	**88,664.07**	**118,787.86**	**87,512.99**	**97,817.14**	**92,486.07**	**80,441.80**					**722,285.65**	63.5%	**1,018,055.48**	102.9%
Gross Profit	**18,554.70**	**454,962.68**	**144,789.79**	**(59,894.21)**	**(66,954.15)**	**(31,314.37)**	**(7,075.31)**	**(37,823.75)**					**415,245.38**	**36.5%**	**(28,274.80)**	**-2.9%**
G&A Expense																
Payroll Expense	83.41	80.46	80.46	5,061.60	4,950.87	5,134.73	909.19	4,754.77					21,055.49	1.9%	756.49	0.1%
Professional&LEGAL Fee	-	7,670.00	-	13,176.25	4,520.00	-	19,759.25	10,680.05					55,805.55	4.9%	55,312.40	5.6%
Insurance Expenses	887.04	887.04	887.04	887.04	887.04	887.04	887.04	709.63					6,918.91	0.6%	10,157.62	1.0%
Telephone and Data Communicat	-	-	-	-	-	-	-	-					-	0.0%	54.24	0.0%
General Office Supplies Expenses	322.51	1,018.47	4,478.07	2,993.39	2,014.92	2,608.79	-	497.83					13,933.98	1.2%	13,464.74	1.4%
Hardware&SOFTWARE Expenses	140.04	146.95	233.19	172.39	222.98	120.08	715.89	503.99					2,255.51	0.2%	606.18	0.1%
Rental&LEASE	18,716.55	18,716.55	18,716.55	18,871.61	18,871.61	19,369.71	19,437.60	19,437.60					152,137.78	13.4%	223,226.50	22.6%
Utility Expenses	816.04	152.06	2,167.94	791.43	1,875.72	3,105.70	884.17	1,674.58					11,467.64	1.0%	17,677.33	1.8%
Repair&MAINTENAN	149.36	328.40	239.58	299.42	300.00	734.74	-	-					2,051.50	0.2%	5,697.00	0.6%
Office,Administrative and Other E	-	-	-	-	-	99.00	-	-					99.00	0.0%	-	0.0%
Courier&DELIVERY Charge	1,015.78	86.81	-	215.24	-	-	-	-					1,317.83	0.1%	1,172.76	0.1%
Travel Expenses	703.35	-	-	-	-	-	2,658.22	1,823.85					5,185.42	0.5%	4,077.19	0.4%
Transportation Expenses	-	-	-	-	302.57	34.26	-	232.77					569.60	0.1%	-	0.0%
Vehicle Expenses	-	-	-	-	-	-	-	-					-	0.0%	-	0.0%
Meals&ENTERTMEN Expense	61.27	-	-	-	-	-	-	1,260.15					1,321.42	0.1%	665.06	0.1%
Promotion, Marketing&ADVERTIS	-	-	-	-	-	-	-	-					-	0.0%	-	0.0%
Management Fee Income	-	-	-	-	-	-	-	-					-	0.0%	(169,153.00)	-17.1%
Management Fee Expenses	4,342.25	4,347.20	4,245.60	4,201.00	4,225.78	4,317.78	188,829.17	19,466.20					233,974.98	20.6%	41,366.07	4.2%
Total G&A Expenses	**27,237.60**	**33,433.94**	**31,048.43**	**46,669.37**	**38,171.49**	**36,411.83**	**234,080.53**	**61,041.42**					**508,094.61**	**44.7%**	**205,080.58**	**20.7%**
Selling Expenses																
Payroll Expenses	-	-	-	-	-	-	984.13	-					984.13	0.1%	11,133.85	1.1%
Promotion, Marketing&ADVERTIS	9,435.50	-	-	24,639.62	-	-	116.17	-					34,191.29	3.0%	77,216.17	7.8%
Courier&DELIVERY Charge	-	38.27	-	-	-	3,265.14	-	1,200.00					4,503.41	0.4%	22,557.70	2.3%
Travel Expenses	82.45	6,585.01	2,150.83	9,236.15	3,452.32	426.34	8,009.54	3,618.73					33,561.37	3.0%	54,360.76	5.5%
Transportation Expenses	-	-	-	-	-	-	-	132.75					132.75	0.0%	-	0.0%
Vehicle Expenses	132.86	247.47	-	-	-	-	-	-					380.33	0.0%	-	0.0%
Meals&ENTERTAIN Expenses	514.39	1,737.58	896.36	-	-	-	144.63	6.48					3,299.44	0.3%	828.40	0.1%
Professional&LEGAL Fee	-	-	-	-	-	-	-	-					-	0.0%	12,520.19	1.3%

Acora Acoustics Corporation Income Statement - Monthly Analysis Summary

Reporting Currency : CAD Dollar **Report Fiscal Year : 2026**

P&L - Local Currency	October	November	December	January	February	March	April	May	June	July	August	September	YTD	% of Sales	FY2025	% of Sales
General Office Supplies Expenses	18.75	1,673.98	-	-	-	-	-	183.30					1,876.03	0.2%	3,829.30	0.4%
Hardware&SOFTWARE Expenses	-	-	-	-	-	-	-	13.07					13.07	0.0%	214.19	0.0%
Sales Commission Expenses	-	-	-	-	-	-	-	-					-	0.0%	3,760.00	0.4%
Office,Admin&OTHER Expenses	-	-	-	-	-	-	121.64	(121.64)					-	0.0%	-	0.0%
Total Selling Expenses	**10,183.95**	**10,282.31**	**3,047.19**	**33,875.77**	**3,452.32**	**3,691.48**	**9,376.11**	**5,032.69**					**78,941.82**	**6.9%**	**186,420.56**	18.8%
Depreciation & Amortization	**2,808.92**	**2,808.87**	**2,808.94**	**2,844.53**	**2,844.51**	**2,794.42**	**2,794.44**	**2,656.93**					**22,361.56**	**2.0%**	**(30,503.01)**	-3.1%
Financial Expenses																
Bank Charges	334.85	490.11	3,169.84	357.02	1,364.99	(3,543.59)	232.92	283.79					2,689.93	0.2%	1,265.01	0.1%
Interest Expenses	38,430.69	35,956.33	36,333.05	35,964.01	32,579.55	36,464.52	35,882.88	38,228.51					289,839.54	25.5%	471,928.43	47.7%
Total Financial Expenses	**38,765.54**	**36,446.44**	**39,502.89**	**36,321.03**	**33,944.54**	**32,920.93**	**36,115.80**	**38,512.30**					**292,529.47**	**25.7%**	**473,193.44**	47.8%
Foreign Exchange Loss (Gain)																
Realized Foreign Exchange Loss(G	2,492.93	6,184.07	(145.41)	(470.19)	966.60	(201.63)	2,597.13	(646.83)					10,776.67	0.9%	(4,036.94)	-0.4%
Unrealized Foreign Exchange Loss	17,198.31	2,053.32	(57,901.00)	(25,651.33)	16,363.78	67,542.48	(60,420.56)	40,766.97					(48.03)	0.0%	144,230.61	14.6%
Foreign Exchange Loss (Gain)	**19,691.24**	**8,237.39**	**(58,046.41)**	**(26,121.52)**	**17,330.38**	**67,340.85**	**(57,823.43)**	**40,120.14**					**10,728.64**	**0.9%**	**140,193.67**	**14.2%**
Other Income & Expenses	**-**	**(905.66)**	**(900.57)**	**(876.60)**	**(392.00)**	**-**	**(3,695.33)**	**-**					**(6,770.16)**	**-0.6%**	**(102,013.94)**	-10.3%
Provision for (Recovery of) Income Tax	**-**	**920.82**	**-**	**-**	**-**	**-**	**1,544.71**	**(237.38)**					**2,228.15**	**0.2%**	**-**	0.0%
Net Income	**(80,132.55)**	**363,738.57**	**127,329.32**	**(152,606.79)**	**(162,305.39)**	**(174,473.88)**	**(229,468.14)**	**(184,949.85)**					**(492,868.71)**	**-43.3%**	**(900,646.10)**	-91.0%

Acora Acoustics Corporation Balance Sheet - Monthly Analysis Summary

Reporting Currency : CAD Dollar **Report Fiscal Year : 2026**

BS - Local Currency	October	November	December	January	February	March	April	May	June	July	August	September
ASSETS												
Cash and Cash Equivalent	305,006.28	477,360.74	586,841.55	457,738.70	337,956.76	254,656.40	251,079.64	178,693.30				
A/R Trade Accounts Receivable	295,557.87	372,846.87	347,283.43	339,688.19	288,931.00	313,876.54	328,444.12	313,358.70				
Non Trade Receivable	72.90	72.90	72.90	72.90	72.90	72.90	-	-				
Other Receivable	-	-	-	-	-	-	-	-				
Inventory	1,243,147.44	1,164,840.12	1,201,988.72	1,228,997.84	1,272,504.08	1,336,676.40	1,351,135.61	1,417,971.04				
Prepaid Expenses and Others	25,525.69	24,638.65	23,751.61	22,864.57	21,977.53	21,090.49	23,517.45	22,476.42				
Current Assets	**1,869,310.18**	**2,039,759.28**	**2,159,938.21**	**2,049,362.20**	**1,921,442.27**	**1,926,372.73**	**1,954,176.82**	**1,932,499.46**				
Capital Assets-Cost	510,696.60	510,696.60	519,246.60	519,246.60	519,246.60	521,505.59	523,055.59	523,055.59				
Capital Assets-Accumulated depreciation	(167,815.31)	(172,364.51)	(176,913.77)	(181,498.63)	(186,083.47)	(190,618.22)	(195,171.82)	(199,600.82)				
Construction and Work in Progress	-	-	-	-	-	-	453.74	453.74				
Fixed Assets	**342,881.29**	**338,332.09**	**342,332.83**	**337,747.97**	**333,163.13**	**330,887.37**	**328,337.51**	**323,908.51**				
Intangible Assets-Cost	43,980.30	43,980.30	43,980.30	43,980.30	43,980.30	43,980.30	43,980.30	43,980.30				
Intangible Assets Amortization	(183.25)	(213.79)	(244.34)	(274.88)	(305.42)	(335.96)	(366.50)	(397.04)				
Intangible Assets	**43,797.05**	**43,766.51**	**43,735.96**	**43,705.42**	**43,674.88**	**43,644.34**	**43,613.80**	**43,583.26**				
ASSETS	**2,255,988.52**	**2,421,857.88**	**2,546,007.00**	**2,430,815.59**	**2,298,280.28**	**2,300,904.44**	**2,326,128.13**	**2,299,991.23**				
LIABILITIES AND EQUITY												
A/P Trade Accounts Payable	40,352.37	42,007.32	47,306.06	59,501.57	72,039.23	133,825.72	160,153.97	139,369.02				
A/P Non-Trade Payable	88,321.37	102,067.26	137,813.19	161,148.81	156,588.52	172,296.69	390,451.32	356,346.82				
Due To Inter Company (Short Term)	194,900.08	230,969.83	264,543.72	299,103.35	299,989.77	339,745.13	-	-				
Due to Related Company(Short Term)	-	-	-	-	-	-	71,929.20	38,228.51				
Accrued Liabilities	6,000.00	6,000.00	6,000.00	5,861.93	10,257.29	12,753.19	8,933.09	11,018.06				
Payroll Liabilities	-	-	-	2,694.86	18,703.02	28,427.99	33,578.10	12,042.48				
Tax Payable	(92,413.35)	(99,572.05)	(115,223.80)	(123,171.91)	(137,826.95)	(146,473.17)	(182,110.36)	(78,525.05)				
Deferred Revenue	245,212.66	-	-	-	-	-	39,667.64	167,831.22				
Current Liabilities	**482,373.13**	**281,472.36**	**340,439.17**	**405,138.61**	**419,750.88**	**540,575.55**	**522,602.96**	**646,311.06**				
Due To Inter Company (Long Term)	6,535,716.78	6,538,748.34	6,476,601.33	6,449,317.27	6,464,475.08	6,520,748.45	-	-				
Due To Related Company (Long Term)	-	-	-	-	-	-	6,793,412.87	6,828,517.72				
Long Term Liabilities	**6,535,716.78**	**6,538,748.34**	**6,476,601.33**	**6,449,317.27**	**6,464,475.08**	**6,520,748.45**	**6,793,412.87**	**6,828,517.72**				
Common Stock	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00				
Retractable Preference Shares	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00				
Shareholder's Equity	**400,100.00**	**400,100.00**	**400,100.00**	**400,100.00**	**400,100.00**	**400,100.00**	**400,100.00**	**400,100.00**				
Retained Earnings	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)	(5,082,068.84)				
Retained Earnings	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**	**(5,082,068.84)**				
PROFIT-NET	**(80,132.55)**	**283,606.02**	**410,935.34**	**258,328.55**	**96,023.16**	**(78,450.72)**	**(307,918.86)**	**(492,868.71)**				
LIABILITIES AND EQUITY	**2,255,988.52**	**2,421,857.88**	**2,546,007.00**	**2,430,815.59**	**2,298,280.28**	**2,300,904.44**	**2,326,128.13**	**2,299,991.23**				

From: Valerio Cora <valerio@ACORAACOUSTICS.COM>
Sent: Tuesday, June 9, 2026 5:46 PM
To: Kevin Huang
Cc: Coco Li; Roger Hwang
Subject: RE: Acora RBC USD & CAD Credit Card Statement - May 2026

Do not send me any more emails I will not respond.

This is Exhibit "F" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

Valerio Cora | Acora Acoustics Corporation
CEO
165 Milner Ave, Scarborough, Ontario M1S 4G7
Tel/Fax 647.812.3933
Email: valerio@acoraacoustics.com

"Hear The Truth"

Please consider the environment before printing this email.

From: Kevin Huang <kevinh@crystalintl.com>
Sent: June 8, 2026 4:23 PM
To: Valerio Cora <valerio@ACORAACOUSTICS.COM>
Cc: Coco Li <cocol@crystalintl.com>; Roger Hwang <rogerh@crystalintl.com>
Subject: Acora RBC USD & CAD Credit Card Statement - May 2026

CAUTION: Email has been sent by an individual outside of the company. Exercise caution when opening link and attachments.

Hi Val,

I have attached Acora's May 2026 RBC credit card statements for your records.

Meanwhile, the following invoices are still missing. Could you please send them to me when you have a chance? Thanks!

Transaction Date	Activity Description	Amount	Card	Original Invoice Status
April 28, 2026	McMaster-Carr	$ 252.51	CC USD	Received from Email
May 4, 2026	Racknerd* Racknerd 227	$ 9.59	CC USD	Received from Email
May 5, 2026	Werbecenter-Berlin, EUR1,672.31 @0.830091	$2,014.61	CC USD	Received from Email
May 6, 2026	Alibaba.Com	$1,456.35	CC USD	Need Val Provide Final Invoice
May 6, 2026	Alibaba.Com	$ 289.44	CC USD	Need Val Provide Final Invoice
May 6, 2026	McMaster-Carr	$ 107.54	CC USD	Received from Email
May 9, 2026	Condor Flugd	$5,779.96	CC USD	Need Val Provide Invoice
May 12, 2026	Amzn Mktp Ca, 34.96 CAD@ 1.330796	$ 26.27	CC USD	Downloaded from Amazon Ac
May 12, 2026	Amzn Mktp Ca, 225.98 CAD@ 1.330781	$ 169.81	CC USD	Downloaded from Amazon Ac
May 12, 2026	Amzn Mktp Ca, 162.28 CAD@ 1.330818	$ 121.94	CC USD	Downloaded from Amazon Ac
May 12, 2026	Amzn Mktp Ca, 139.95 CAD@ 1.330703	$ 105.17	CC USD	Downloaded from Amazon Ac
May 11, 2026	Werbecenter-Berlin, EUR1,029.95 @0.827488	$1,244.67	CC USD	Need Val Provide Invoice
May 12, 2026	Amzn Mktp Ca, 214.69 CAD@ 1.331245	$ 161.27	CC USD	Downloaded from Amazon Ac

Transaction Date	Activity Description	Amount	Card	Original Invoice Status
May 8, 2026	UBER CANADA/UBERTRIP	($3.00)	CC CAD	Received from Email
May 11, 2026	AMZN Mktp CA*BF3C02ZJ1	$37.99	CC CAD	Downloaded from Amazon A
May 11, 2026	AMZN Mktp CA*FU15T0VB3	$39.99	CC CAD	Downloaded from Amazon A
May 13, 2026	FEDEX92192577	$1,319.38	CC CAD	Downloaded from Fedex Acc
May 13, 2026	TRISURA GUARANTEE INSU TORONTO ON	$300.00	CC CAD	Need Val Provide Invoice
May 13, 2026	CANADIAN CHAMBER OF CO OTTAWA ON	$722.07	CC CAD	Need Val Provide Invoice
May 13, 2026	AMZN MKTP CA*BF48K8VZ1	$149.14	CC CAD	Downloaded from Amazon A
May 13, 2026	AMZN MKTP CA*BF9884XE1	$166.10	CC CAD	Downloaded from Amazon A
May 13, 2026	AMZN MKTP CA*BJ9TU4Y30	$150.26	CC CAD	Downloaded from Amazon A
May 13, 2026	AMAZON.CA*KI42K8IZ3	$18.08	CC CAD	Downloaded from Amazon A
April 17, 2026	AMZN Mktp CA*BY2RY1OZ1	$160.18	CC CAD	Downloaded from Amazon A
April 17, 2026	AMZN Mktp CA*B782K4HW0	$215.16	CC CAD	Downloaded from Amazon A
April 17, 2026	AMZN Mktp CA*B71WX2800	$21.44	CC CAD	Downloaded from Amazon A
April 17, 2026	CHOP TORONTO	$132.22	CC CAD	Need Val Provide Invoice
April 18, 2026	FEDEX272505683	$1,397.25	CC CAD	Downloaded from Fedex Acc
April 20, 2026	UPS CANADA BILLING CTR	$375.18	CC CAD	Downloaded from UPS Accou
April 20, 2026	UPS CANADA BILLING CTR	$75.05	CC CAD	Downloaded from UPS Accou
April 21, 2026	Amazon.ca*BY1ZA0S61	$88.13	CC CAD	Downloaded from Amazon A
April 21, 2026	Amazon.ca*BY8XU7171	$31.63	CC CAD	Downloaded from Amazon A
April 22, 2026	Adobe	$103.95	CC CAD	Received from Email
April 24, 2026	DISMA IMPORTING INC	$988.75	CC CAD	Received from Email
April 27, 2026	AMZN Mktp CA*BS3LM8681	$146.80	CC CAD	Downloaded from Amazon A
April 28, 2026	OPENAI *CHATGPT SUBSCR	$31.70	CC CAD	Received from Email
April 29, 2026	Amazon.ca*BS0LI5X50	$66.13	CC CAD	Downloaded from Amazon A
May 4, 2026	COSTCO WHOLESALE W1261	$104.97	CC CAD	Received from Email
May 7, 2026	AMZN Mktp CA*BJ19Q57E0	$1,529.26	CC CAD	Downloaded from Amazon A

Best regards,
Kevin

--
This message has been scanned for viruses and
dangerous content and is believed to be clean. If this message is spam, you can report in the next 3 days by clicking http://SpamFilter.pctek.ca/mailscanner/eFa-learn.php?mid=4gZ3R45Td3z5DvRL&r=40867ee893b20d1f7b0c

This is Exhibit "G" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.


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QTY.
SERIAL NO.
64360 618
DESCRIPTION
LP12 AFRO
ITTOK
KNair
door to door air cargo
GLASGOW TELEPHONE (041) 887 8316 TELEX 777577
KUEHNE & NAGEL
Air Cargo Ltd
YYZ 24
349892
LINN PRODUCTS
Grimm AUDIO
MU1

2 containers load including	
Office	QTY
Furniture	
Desks(Sheree's Room, Chris , Valerio, Micky)	4
Storage Cabinet(Sheree's Room)	
Mini Storage Rack	2
Computer Server	1
3D printer	2
Microwave, Small Oven, Coffee Machine	1
Production Area	
Furniture store by Pallet	4
Tools set, Screw drivers,sodering Pot,, power tools, others.	1
Equipmemt from Display speaker and sound equipment.	1
Audio Cable -Cadas 1 lot Expansive over 50k	1
Unknown equipment over 10 pallet	

This is Exhibit "H" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

This is Exhibit "I" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

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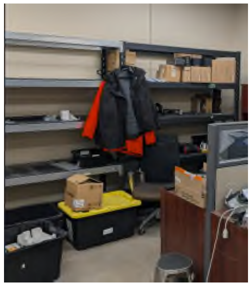
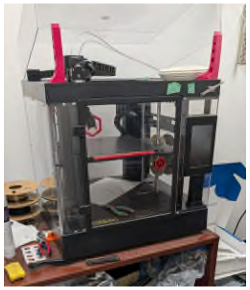
**Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.**

	Currency	Dollar (google)	use (google)	photo
1 Bedini Audio Design Stereo Power Amplifier US$	US$	1100	Delivers high-quality sound for listening environments such as showrooms, and recording studios. It is built for businesses that want accurate, reliable audio rather than large-scale sound systems	
2 KEF Speaker (800 NEW)	US$	600	Used to reproduce high-quality audio with clear, accurate sound for music, movies, and other audio content. It can be used in homes, listening rooms, audio showrooms, or studios where detailed and balanced sound is important	
3 Aurender Music Servers (3850-43500)	US$	20000	Stores, organizes, and plays high-resolution digital music, providing a reliable source for high-end audio systems	
4 Audio Research preamplifier (1000-4000) LS	US $	3000	Processes and controls audio signals before they reach the power amplifier, allowing users to switch and adjust volume while presering sound quality.	

5	BlACK Vantage Amplifier		Unkown	Powers the speakers to delier clean, stable audio signal for high-quality music playback	
6	Cardas Audio Cable (300-1200)	CN$	750	Connects the audio components, such as amplifiers, speakers, and source devices, while preserving the quality of the connecting signal	
7	Audio Resarch M-100 monoblock Amplifer Pair (3000-3700)	US$	3300	Used to deliver clean and detailed audio in high-end sound systems	
8	Harman Kardon HK590I stereo Receiever (100-300)	US$	200	Can be used as a budget reference or for testing how Audio Research products are in comparison to other competitors	

9	Shelving 2(100-400) 2X250	CAD	500	Used to hold and organize components such as amplifiers, servers, or other materials.	
10	Creality CR30 Prontmill 3D printer	US$	600	Used to quickly print prototype parts like enclosures, brackets,and custom componewnts for products during development	
11	Raise 3D Pro2 3 D printer (750-1200)	US$	1000	Used to make detailed prototypes and custom parts like housing, mounts, and internal components for equipment	

Fogler, Rubinoff LLP
Lawyers
Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2
t: 416.864.9700 | f: 416.941.8852
foglers.com

fogler rubinoff

This is Exhibit "J" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

Lawyer: Ryan Gelbart
Direct Dial: 416.941.8812
E-mail: rgelbart@foglers.com

Legal Assistant: Teresa Pater
Direct Dial: 416.864.9460
E-mail: tpater@foglers.com

June 19, 2026

Our File No. 260197

VIA EMAIL AND COURIER - vcora@audioresearch.com; valerio@acoraacoustics.com;admin@pctek.ca

Acora Acoustics Corporation
1821 Albion Road, Unit 13-14
Etobicoke, ON M9W 5W8

Attention: Mr. Valerio Cora, Director & Chief Executive Officer

Dear Mr. Cora:

Re: Demand for funds advanced by Crystal Group Holdings Inc. (the "Lender") to Acora Acoustics Corporation (the "Corporation")

We are counsel to the Lender. To date, the Lender has made various loan advances to the Corporation totalling CAD $4,044,924.82 and USD $2,017,519.71, as more particularly described in Exhibit "A" attached hereto (the "**Loan Advances**"). The Loan Advances are due on demand and have been accruing interest at the rate of prime plus one (1%) percent per annum, calculated and payable monthly. The accrued and unpaid interest amounts to CAD $18,723.02 and USD $14,136.46.

On behalf of the Lender, we hereby demand repayment by the Corporation of the Loan Advances in full together with all accrued and unpaid interest thereon. Such repayment is to be made by no later than June 30, 2026, failing which, the Lender will take such action as may be necessary to enforce its rights and remedies in respect of the said Loan Advances.

Yours truly,

FOGLER, RUBINOFF LLP

Ryan Gelbart

Ryan Gelbart*
Partner
*Services provided through a professional corporation
RG/tp
cc: Roger Hwang - rogerh@crystalintl.com
Anson Liao - aliao@audioresearch.com; anson@acoraacoustics.com; AnsonL@linkupgroup.com

Exhibit "A"

Schedule of Loan Advances

Date of Advance	Amount Advanced	
	CAD	**USD**
June 18, 2019	-	$31,637.60
July 26, 2019	$50,000.00	-
September 25, 2019	$50,000.00	-
November 26, 2019	$50,000.00	-
January 16, 2020	-	$119,000.00
February 14, 2020	$150,000.00	-
June 3, 2020	$100,000.00	$100,000.00
September 14, 2020	$100,000.00	-
December 2, 2020	$50,000.00	$80,000.00
March 18, 2021	$100,000.00	$100,000.00
June 10, 2021	$100,000.00	$100,000.00
August 23, 2021	-	$100,000.00
September 20, 2021	$100,000.00	-
November 24, 2021	$100,000.00	$100,000.00
March 17, 2022	$100,000.00	$100,000.00
June 21, 2022	$100,000.00	$100,000.00
September 8, 2022	$100,000.00	$100,000.00
October 13, 2022	$100,000.00	-
January 12, 2023	$100,000.00	$100,000.00
March 7, 2023	$100,000.00	$100,000.00

April 27, 2023	$100,000.00	-
July 25, 2023	-	$100,000.00
July 26, 2023	$100,000.00	-
August 30, 2023	$150,000.00	-
October 10, 2023	$100,000.00	$100,000.00
November 6, 2023	$100,000.00	-
November 30, 2023	$250,000.00	-
January 22, 2024	$200,000.00	-
March 8, 2024	-	$200,000.00
April 4, 2024	$100,000.00	-
May 7, 2024	$100,000.00	-
June 10, 2024	-	$100,000.00
June 11, 2024	$100,000.00	-
June 19, 2024	$100,000.00	-
August 2, 2024	$100,000.00	$100,000.00
August 23, 2024	$15,000.00	-
August 30, 2024	$100,000.00	-
September 12, 2024	$200,000.00	-
November 21, 2024	$100,000.00	-
December 10, 2024	$6,056.80	-
December 14, 2024	-	$49,196.95
January 7, 2025	$100,000.00	-
January 10, 2025	$6,328.00	-
January 14, 2025	-	$14,891.36
January 17, 2025	$200,000.00	-

February 3, 2025	$1,559.40	-
April 2, 2025	$100,000.00	-
April 3, 2025	$361.60	-
August 15, 2025	$180.80	-
September 16, 2025	$203.40	-
November 14, 2025	$180.80	-
April 15, 2026	$165,054.02	$122,793.80
Total:	**$4,044,924.82**	**$2,017,519.71**

From: Valerio Cora <valerio@ACORAACOUSTICS.COM>

Sent: Monday, June 22, 2026 1:38 PM

To: Coco Li <cocol@crystalintl.com>; Kevin Huang <kevinh@crystalintl.com>; Roger Hwang <rogerh@crystalintl.com>

Subject: Rbc Bank and Creit Cards

Hi Team

I have been denied access to various company accounts and administrative systems that I previously utilized in the performance of my duties. In addition, my company credit cards have been declined and/or deactivated without prior notice or reasonable operational accommodation.

These actions have materially impaired my ability to effectively manage and conduct the day-to-day operations of Acora Acoustics, including but not limited to production oversight, procurement of materials and services, logistics coordination, customer support, sales management, and the timely fulfillment and delivery of customer orders.

Given my ongoing responsibilities and obligations to the company, I formally request that all necessary account access, authorizations, and company credit facilities previously assigned to me be immediately restored. Failure to do so will continue to negatively impact operational efficiency, customer service, production schedules, and the company's ability to meet its commitments to customers, suppliers, and business partners.

I remain willing and able to continue performing my duties in the best interests of the company and request that these restrictions be removed without delay.

Thank You

Valerio Cora

CEO

Acora Acoustics Corporation.

This is Exhibit "K" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox

A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

From: Micky Yeung <mickyy@crystalclaire.com>
Sent: Tuesday, June 30, 2026 10:28 AM
To: Coco Li; Roger Hwang
Subject: Valerio Cora, Still moving Out

Hi Tea ,

I came back today. 6/30 All computers have been moved. A HP color printer, Tool and tool box. Moved. He told me specifically if we want to sue him, please do.

Right Now, almost everything stop .

Micky

This is Exhibit "L" referred to in
the affidavit of **Roger Hwang**
sworn before me, by video conference
this 16th day of July, 2026

Karen Fox
A COMMISSIONER FOR TAKING AFFIDAVITS

Karen Anne Fox, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires March 21, 2027.

Court File No. CL-26-00000325-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

ROGER HWANG

Applicant

and

ACORA ACOUSTICS CORPORATION, VALERIO CORA, ANSON LIAO

Respondents

APPLICATION UNDER SECTIONS 148 AND 149 OF THE ONTARIO *BUSINESS CORPORATIONS ACT*, S.C. 1991, C. 45 AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C.43, AS AMENDED

CONSENT

Albert Gelman Inc. hereby consents to act as Liquidator and/or Receiver in the above-noted matter.

DATED at Toronto this 15th day of July, 2026

ALBERT GELMAN INC.

Per: BC Bryan Gelman

Name: Bryan Gelman
Title: President

ROGER HWANG -and- ACORA ACOUSTICS CORPORATION et al.

Applicant Respondents

Court File No. CL-26-00000325-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

CONSENT

FOGLER, RUBINOFF LLP
Lawyers
Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

Catherine Francis (LSO# 26900N)
cfrancis@foglers.com
Tel: 416-941-8861

Lawyers for the Applicant

ROGER HWANG -and- ACORA ACOUSTICS CORPORATION et al.
Applicant Respondents

Court File No. CL-26-00000325-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

FOGLER, RUBINOFF LLP
Lawyers
Scotia Plaza
40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

Catherine Francis (LSO# 26900N)
cfrancis@foglers.com
Tel: 416-941-8861

Lawyers for the Applicant