

LEASE EXTENSION AND MODIFICATION AGREEMENT

THIS LEASE EXTENSION AND MODIFICATION AGREEMENT made July 5, 2019,

BETWEEN:

461339 B.C. Ltd., a company duly incorporated under the laws of British Columbia, and having an office at 3823 Miramontes Drive, Victoria, BC V8N 4L1

(the "Landlord")

AND:

BOYS & GIRLS CLUB SERVICES OF GREATER VICTORIA, a society duly incorporated under the laws of British Columbia, and having an office at 301 - 1195 Esquimalt Road, Victoria, BC V9A 3N6

(the "Tenant")

BACKGROUND

- A. By a lease (the "Original Lease") dated for reference the 6th day of May, 2014, made between the Landlord and the Tenant, the Landlord leased to the Tenant for a term of five (5) years from August 1, 2014, premises (the "Leased Premises") shown on a plan attached to the Original Lease as Schedule A, being a portion of the Building situate on the Lands in Victoria, British Columbia, more particularly known and described as: PID: 017-806-399, Lot A, Section 11, Victoria District, Plan VIP54373.
- B. Under the terms of the Original Lease, the Tenant was granted the right to extend the Term of the Original Lease for a further term (the "Extension Period") of five (5) years, from August 1, 2019, on the terms and conditions provided in the Original Lease.
- C. The Tenant has requested that the Landlord grant to the Tenant the Extension Period under the terms of this agreement (the "Lease Extension and Modification Agreement").
- D. The Landlord and the Tenant have agreed to modify the Original Lease by the Landlord granting the Tenant a second option to extend the Term of the Original Lease, as set out in this Lease Extension and Modification Agreement.

AGREEMENTS

In consideration of the grants, rents, and mutual covenants hereinafter reserved and contained, the parties covenant and agree as follows:

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1. The Landlord hereby confirms that notice to extend the original Term has been given by the Tenant in accordance with the terms of the Original Lease.
2. In accordance with the terms of the option to extend contained in the Original Lease, the parties agree that the original Term is hereby extended for the Extension Period upon the same terms, conditions, and covenants as are contained under the Original Lease, except as are modified in this Lease Extension and Modification Agreement.
3. The Tenant covenants and agrees to pay to the Landlord, or as the Landlord may in writing direct, in lawful money of Canada, without any set-off, compensation, or deduction whatsoever, on the days and at the times hereinafter specified, in addition to all Additional Rent and other amounts payable under the Original Lease, Annual Base Rent during the Extension Period of \$17.00 per square foot of Rentable Area per annum, exclusive of GST, payable in equal monthly instalments on the first day of each month in advance, commencing August 1, 2019, of \$8,983.08, and clause 1.1(g) of the Original Lease will be amended accordingly.
4. Clause 17.3 shall be deleted and replaced with the following clause:

"17.3 Second Option to Extend

The Landlord covenants with the Tenant that if:

- (a) the Tenant gives notice to the Landlord that the Tenant wishes to obtain a second extension of this Lease, after exercising the option to extend the Original Lease pursuant to clause 17.2, such notice to be given not later than one hundred twenty (120) days before the expiry of the Extension Period";
- (b) at the time of giving such notice the Tenant is not in breach of any covenant or condition contained in this Lease; and
- (c) the Tenant has duly and regularly throughout the Extension Period observed and performed the covenants and conditions in the Original Lease, as modified by this Lease Extension and Modification Agreement;

then the Landlord will grant to the Tenant, at the Tenant's expense, a second option to extend the Term of this Lease for a further term of FIVE (5) YEARS upon the same terms and conditions in this Lease, except this covenant to extend and except the Annual Base Rent that will be the greater of the Current Market Rent for the Premises with its Leasehold Improvements (having regard to the duration of the extension term) and the sum of the Annual Base Rent payable for the last year of the initial term, and except any Tenant Inducements, If the Landlord and the Tenant are unable at least two (2) months before the expiry of the Extension Period to agree upon such Current Market Rent, the determination of such Current Market Rent will be referred to a single arbitrator if the parties agree upon one, otherwise to a board of three arbitrators, one to be appointed by each of the Landlord and the Tenant and a third arbitrator to be appointed in writing by the first two-named arbitrators; If the Landlord or the Tenant refuses or neglects to appoint an arbitrator within seven clear days after the other has served a written notice upon the party so refusing or neglecting to make such appointment, the arbitrator first

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appointed will, at the request of the party appointing the arbitrator, proceed to determine such rent as if he or she were a single arbitrator appointed by both the Landlord and Tenant for the purpose. If two arbitrators are so appointed within the time prescribed and they do not agree upon the appointment of the third arbitrator within a period of seven days from the date of appointment of the second arbitrator, then upon the application of either the Landlord or the Tenant, the third arbitrator will be appointed by a judge of the Supreme Court in accordance with the procedure set out in the *Arbitration Act*, R.S.B.C. 1996, c. 55 as amended from time to time, or such similar statute then in force in the province in which the Building is located. The third arbitrator will chair the arbitration. The determination made by the arbitrators or the majority of them, or by the single arbitrator, as the case may be, will be final and binding upon the Landlord and the Tenant and their respective successors and assigns. The Tenant will pay the costs of the arbitration and the arbitrator(s). The provisions of this clause will be deemed to be a submission to arbitration within the provisions of the *Arbitration Act* provided that any limitation on the remuneration of the arbitrators imposed by such legislation will not be applicable.

5. This Lease Extension and Modification Agreement is expressly made a part of the Original Lease to the same extent as if incorporated in the Original Lease, and the parties agree that all agreements, covenants, conditions, and provisos contained in the Original Lease, except as amended or altered in this Lease Extension and Modification Agreement, will be and remain unaltered and in full force and effect during the Extension Period. The Landlord and the Tenant acknowledge and agree to perform and observe, respectively, the obligations of the Landlord and the Tenant under the Original Lease as extended and modified hereby. The Landlord and the Tenant hereby confirm and ratify the Original Lease and the extension of the original Term.
6. The following Clauses and Schedule of the Original Lease do not apply to the Lease Extension and Modification Agreement and are hereby deleted: 1.1(j), 3.2 and Schedule D.
7. All terms capitalized in this Lease Extension and Modification Agreement and not otherwise defined in this Lease Extension and Modification Agreement will have the same meaning as in the Original Lease.
8. This Lease Extension and Modification Agreement will enure to the benefit of and be binding upon the parties and their respective successors and assigns.
9. This Lease Extension and Modification Agreement may be executed by the parties in any number of counterparts, each of which when executed and delivered is deemed to be an original, but all of which when taken together will constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Lease Extension and Modification Agreement as of the date first above written.

LANDLORD:

461339 B.C. LTD.

By: Ed Sawatsky 
Name: Ed Sawatsky
Title: President
I have authority to bind the corporation

[next page is signing page only]

TENANT:

BOYS & GIRLS CLUB SERVICES OF GREATER VICTORIA

By its authorized signatories:

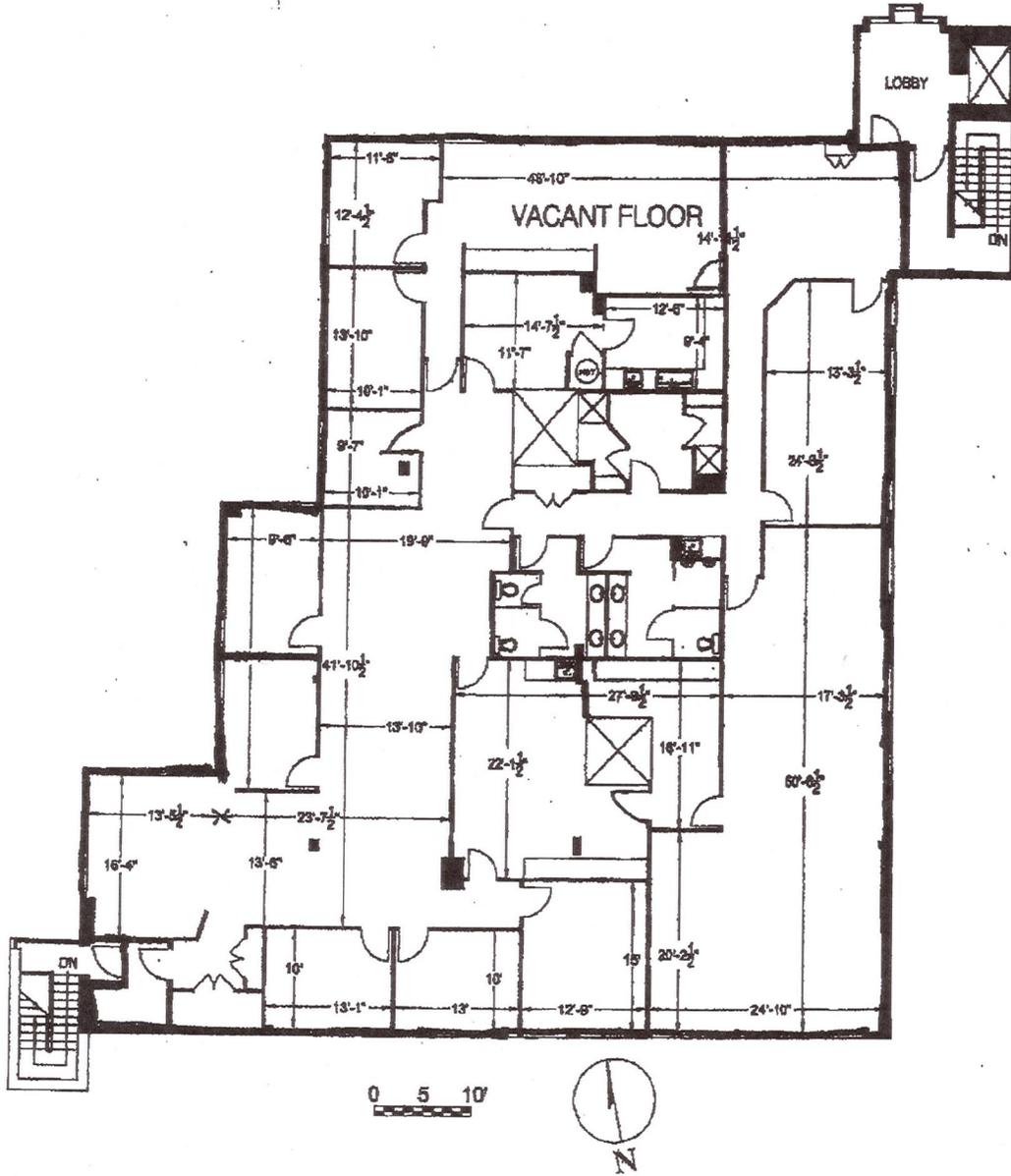
By: Tami Zaranski 
Name: TAMI ZARANSKI
Title: DIRECTOR OF FINANCE

By: Dalce Dixon 
Name: DALCE DIXON
Title: EXECUTIVE DIRECTOR
I/We have authority to bind the society

Schedule "A"

ESQUIMALT ROAD

FRASER ROAD



PREPARED FOR:
FIRM MANAGEMENT CORPORATION
SUITE 200-1931 MT. NEWTON X RD.
SAANICHTON BC V8M 2A9
TEL 250-544-2300 FAX 250-544-0550

1198 ESQUIMALT
VICTORIA BC

FLOOR PLAN

17 MAY 2005

05-858

1/16" = 1'



BD