

Appendix B:

Permissive Tax Exemption Applications
Recommended for Approval



APPLICATION FORM FOR PERMISSIVE
EXEMPTION FROM PROPERTY TAXATION
FOR 2017-2019

(Section 224 of the Community Charter)

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2 ✓

1. **IDENTIFICATION OF APPLICANT:**

Organization name: Victoria Social Innovation Centre Society

Are you registered under the *Societies Act*? Yes ☒ No ☐

Are you a registered charity? Yes ☐ No ☒

Mailing Address: 899 Fort Street, Victoria BC

Contact Person: David Lau Email Address: [REDACTED]

Telephone Number: [REDACTED] Fax Number: [REDACTED]

Preferred method of application reminder: Email ☒ Mail ☐

2. **PROPERTY (complete a separate form for each property)**

Folio Number: Plan 26 Address: 1004 North Park

Legal Description: PID: 005-383-234 Lot: C(DD E20190) SubLot: 13

Registered Owner (if different than above): _____

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Victoria Social Innovation Centre Society is a non-profit under the B.C. Society's Act (SBC 2015, Chapter 18) for the purpose of carrying out benevolent, charitable, educational and/or philanthropic programs and services. The Centre will be called the Social Innovation Society (SIS) which will oversee building management, space allocation, governance and administration of the corporation on behalf of its member non-profit, social service providing agencies.

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The property will be used exclusively for provision of charitable social service programming. The Social Innovation Society will provide long-term administrative advantages to its non-profit member agencies located at 1004 North Park. The space will be used collaboratively to develop new and innovative social services to the benefit of the residents of Victoria. Major activities will be: family counselling, divorce counselling, trauma counselling, youth counselling, adaptation and resettlement services, youth programs, daycare, seniors program, english as a second language instruction and other free and subsidized services.



APPLICATION FORM FOR PERMISSIVE
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(Section 224 of the Community Charter)

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

The Social Innovation Centre's member agencies are: Victoria Immigrant and Refugee Centre Society and Family Services of Greater Victoria. Both members do not operate commercial activities outside of charitable fundraisers, break-even fee-for service and social enterprise activities. Membership of the Social Innovation Society is exclusively limited to non-profit social service organizations. Current leased space will terminate in December 2017 when the pre-existing rental contract (by previous owner) expires, or earlier if possible.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.
7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying. For further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive.

Social Service	<input checked="" type="checkbox"/>	Arts & Cultural Facility	<input checked="" type="checkbox"/>
Place of Worship	<input type="checkbox"/>	Athletic/Recreational Facility	<input type="checkbox"/>
Rail/Track Property	<input type="checkbox"/>		

Educational Facility: Independent School Classification: Group 1 ☐ 2 ☐ 3 ☐ 4 ☐

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

The Social Innovation Centre will publicly acknowledge its permissive tax exemption status with thanks to City of Victoria in its main brochure, its information website, and in its Annual General Report.



**APPLICATION FORM FOR PERMISSIVE
EXEMPTION FROM PROPERTY TAXATION
FOR 2017-2019**

(Section 224 of the Community Charter)

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2017 – 2019?

Yes

☐


No

☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.


Signature

Board Member, Victoria Social Innovation Centre Society

Position

David Lau

Name (please print)

08 May 2017

Date

08 May 2017

Steven Vella, Manager of Revenue
Finance Department
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

Dear Mr. Vella:

Please find enclosed the Application Form for Permissive Exemption from Property Taxation, 2017-2019 for 1004 North Park submitted by Victoria Social Innovation Centre Society which is a new non-profit agency supporting the work of local non-profit agencies by coordinating administrative and infrastructure needs.

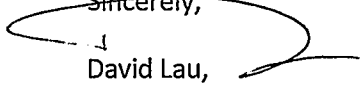
Since the Victoria Social Innovation Centre Society has been founded on 12 April 2017, it has not yet completed a fiscal year of activity and thus has no Financial Statement as requested in section 9 of the application form. Members currently are Victoria Immigrant and Refugee Society and Family Services of Greater Victoria who are agencies with 30+ years of social service delivery in this region.

Because this new organization has no audited financial statement I am providing VIRCS prepared financial statement (notice to reader) and FSGV's most recent financial statement. (enclosed).

Based on the constitutional requirements of members to the Victoria Social Innovation Centre Society, all future members will be non-profit social service providers, and thus all activities conducted on the premises of 1004 North Park will be non-profit, social services.

The only exclusion will be the current tenant whose lease expires in December 2017, whom we are currently helping locate another lease opportunity so they can leave prior to our possession date which is 05 June 2017. Please inform me when Council will review these applications so that we may attend City Hall on that date if possible.

Sincerely,



David Lau,
VSICS Board Member
VIRCS Exec Dir



BRITISH
COLUMBIA

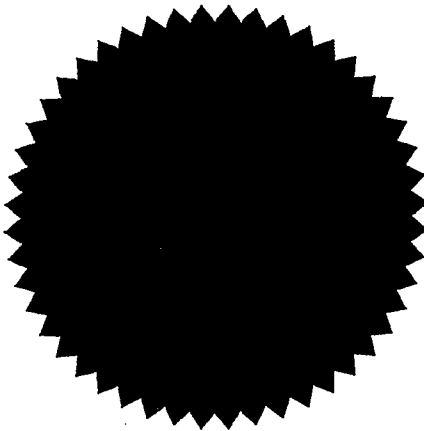
Number: S0067273

Societies Act
CERTIFICATE OF INCORPORATION

VICTORIA SOCIAL INNOVATION CENTRE SOCIETY

I Hereby Certify that ~

VICTORIA SOCIAL INNOVATION CENTRE SOCIETY was incorporated under the
Societies Act on April 12, 2017 at 12:07 PM Pacific Time.



*Issued under my hand at
Victoria, British Columbia*

A handwritten signature in black ink, appearing to read "Carol Prest".

CAROL PREST

REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA
CANADA

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY

Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)



NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Victoria Immigrant and Refugee Centre Society as at December 31, 2015 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Lee & Company

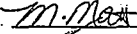
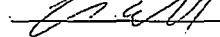
Victoria, British Columbia
June 28, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY
Statement of Financial Position
December 31, 2015
(Unaudited - See Notice To Reader)

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 181,165	\$ 225,152
Accounts receivable	161,295	173,744
Prepaid expenses	4,758	5,703
G.S.T. receivable	659	835
	<u>348,077</u>	<u>405,434</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>12,059</u>	<u>17,720</u>
	<u>\$ 360,136</u>	<u>\$ 423,154</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 8,278	\$ 19,926
Wages payable	-	19,197
Employee deductions payable	6,658	11,782
Deferred operating grants	<u>99,570</u>	<u>270,000</u>
	<u>114,507</u>	<u>320,905</u>
DEFERRED REVENUE (Note 5)	<u>81,585</u>	<u>32,423</u>
DEFERRED CAPITAL ASSET CONTRIBUTIONS (Note 5)	<u>1,275</u>	<u>1,822</u>
	<u>187,367</u>	<u>355,150</u>
NET ASSETS		
Investment in capital assets	6,271	15,885
Unrestricted net assets	<u>156,498</u>	<u>52,119</u>
	<u>162,769</u>	<u>68,004</u>
	<u>\$ 360,136</u>	<u>\$ 423,154</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

LEE & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2015
(Unaudited - See Notice To Reader)

	Investment in Capital Assets	Unrestricted Net Assets	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 15,885	\$ 52,119	\$ 68,004	\$ 64,838
Excess of revenues over expenses	(4,500)	99,265	94,765	3,168
Amortization of capital assets	(5,114)	5,114	-	-
NET ASSETS - END OF YEAR	<u>\$ 6,271</u>	<u>\$ 156,498</u>	<u>\$ 162,769</u>	<u>\$ 68,004</u>

See notes to financial statements

LEE & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY
Statement of Revenues and Expenditures
For the Year Ended December 31, 2015
(Unaudited - See Notice To Reader)

	2015	2014
REVENUES		
Operating Grants (Note 7)	\$ 920,979	\$ 1,041,282
Gaming	81,000	81,000
Donations	71,242	60,283
Social Events	1,808	2,661
Training	29,127	37,922
Interest Income	196	286
Amortization of deferred capital asset contributions	647	781
	<u>1,104,899</u>	<u>1,224,215</u>
EXPENSES		
Amortization	5,661	6,609
Office and Supplies	37,488	40,927
Direct Program Costs	36,094	80,215
Travel and Transportation	5,839	4,977
Recognition, Training and Recruiting	2,616	5,684
Building Occupancy	102,686	103,923
Wages and Contracted Services	813,973	974,289
Professional Fees	5,777	4,726
	<u>1,010,134</u>	<u>1,221,049</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 94,765</u>	<u>\$ 3,166</u>

See notes to financial statements

LEE & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited - See Notice To Reader)

1. DESCRIPTION OF ORGANIZATION

The Victoria Immigrant and Refugee Centre Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act. The purposes of the Society are to assist in the settlement and adjustments of immigrants and refugees in Canada and to provide services designed to increase the newcomers' participation in Canadian society by assisting the newcomer to overcome barriers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The purpose of each fund contained in the financial statements is detailed as follows:

Operating Fund - accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Capital Fund - reports the assets, liabilities, revenues and expenditures related to the Society's capital assets.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions for expenditures of subsequent years are deferred in the Operating Fund and are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets that will be amortized are deferred in the Capital Fund and recognized as revenue on the same basis as the amortization expenditure related to the acquired capital assets. No such deferral is recognized until ownership is approved by the contributor.

Interest revenue is recognized on a time proportion basis.

Revenue from gaming, social events, donations and training are recognized in the year received.

Donated services

The Society benefits greatly from donated services in the form of volunteer time for various committees. The value of donated services for donated time is not recognized in these financial statements.

(continues)

LEE & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Furniture and fixtures	30%	declining balance method
Leasehold improvements	10 years	straight-line method

The society regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, operating grants receivable, accounts payable and accrued liabilities and deferred operating grants. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 248,842	\$ 243,680	\$ 5,162	\$ 7,375
Leasehold improvements	34,483	27,588	6,897	10,345
	<u>\$ 283,325</u>	<u>\$ 271,268</u>	<u>\$ 12,069</u>	<u>\$ 17,720</u>

LEE & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

VICTORIA IMMIGRANT AND REFUGEE CENTRE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited - See Notice To Reader)

5. DEFERRED REVENUE

Deferred contributions represent funds received during the year which relate to the subsequent period.

	2015	2014
Community Gaming Grant	\$ 20,250	\$ 20,250
ESL fees	10,000	-
Emergency funds for Syrian Refugees	30,775	-
Other	5,580	-
Paragon Testing Enterprises	5,000	-
Victoria Foundation	-	12,173
Worklink Employment Society	9,000	-
	<u>\$ 81,585</u>	<u>\$ 32,423</u>

6. DEFERRED CAPITAL ASSET CONTRIBUTIONS

Deferred contributions reported in the Capital Fund relate to the unamortized portion of contributed capital assets. The changes in the deferred capital asset contributions balance for the fiscal period are as follows:

	2015	2014
Balance, beginning of year	\$ 1,822	\$ 2,603
Restricted contributions	-	-
Amounts amortized to revenue	(547)	(781)
	<u>\$ 1,275</u>	<u>\$ 1,822</u>

There are no restricted contributions in the year.

LEE & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Financial Statements
Year Ended March 31, 2016
(Unaudited)

OBARA & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Index to Financial Statements
Year Ended March 31, 2016
(Unaudited)

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OBARA & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

To the Directors of Family Services of Greater Victoria Society

We have reviewed the statement of financial position of Family Services of Greater Victoria Society as at March 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, B.C.
June 10, 2016

Obara & Company
CHARTERED PROFESSIONAL ACCOUNTANTS



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FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Statement of Financial Position
March 31, 2016
(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 127,728	\$ 156,588
Accounts receivable	2,423	-
Goods and services tax recoverable	3,321	2,551
Prepaid expenses	1,742	2,208
	<u>135,214</u>	<u>161,347</u>
CAPITAL ASSETS (Note 4)	<u>65,802</u>	<u>80,585</u>
	<u>\$ 201,016</u>	<u>\$ 241,932</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,897	\$ 10,959
Wages payable	880	7,042
Employee deductions payable	5,421	3,808
Deferred income (Note 6)	119,000	99,000
Deferred contribution (Note 7)	61,597	75,273
	<u>196,885</u>	<u>196,183</u>
NET ASSETS		
Unrestricted net assets	(20,300)	20,221
Contingency	20,216	20,216
Investment in capital assets	<u>4,215</u>	<u>5,312</u>
	<u>4,131</u>	<u>45,749</u>
	<u>\$ 201,016</u>	<u>\$ 241,932</u>

ON BEHALF OF THE BOARD

[Signature] Director
[Signature] Director

See notes to financial statements **OBARA & COMPANY**
CHARTERED PROFESSIONAL ACCOUNTANTS

FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2016
(Unaudited)

	Unrestricted Net Assets	Contingency	Investment in Capital Assets	2016	2015
NET ASSETS -					
BEGINNING OF					
YEAR	\$ 20,221	\$ 20,216	\$ 5,312	\$ 45,749	\$ 4,799
Excess (deficiency) of revenues over expenditures	(41,610)	-	-	(41,618)	40,950
Amortization of capital assets	14,783	-	(14,783)	-	-
Amortization of deferred contributions	(13,686)	-	13,686	-	-
NET ASSETS - END OF					
YEAR	\$ (20,300)	\$ 20,216	\$ 4,215	\$ 4,131	\$ 45,749

See notes to financial statements **OBARA & COMPANY**
 CHARTERED PROFESSIONAL ACCOUNTANTS

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FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Statement of Revenues and Expenditures
For the Year Ended March 31, 2016
(Unaudited)

	2016	2015
REVENUES		
Ministry of Attorney General	\$ 19,760	\$ 23,533
Law Foundation	75,000	90,000
United Way	30,000	67,605
Direct Access	99,000	99,000
Fees and miscellaneous	92,369	84,451
Ministry of Children and Families	42,240	42,000
Foundations	13,370	63,643
Amortization of deferred contributions	13,688	13,688
	<u>385,414</u>	<u>483,916</u>
EXPENDITURES		
Accounting and legal	8,630	8,801
Amortization	14,783	15,811
Clinical supervision	5,787	6,455
Insurance	1,148	1,300
Legal supervision	5,000	5,000
Office	21,238	24,648
Program development	1,147	1,944
Rent	84,805	85,847
Telephone	8,386	9,536
Travel and training	5,969	1,448
Wages, salaries and contracts	270,119	282,480
	<u>427,032</u>	<u>442,968</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (41,618)</u>	<u>\$ 40,950</u>

See notes to financial statements **OBARA & COMPANY**
 CHARTERED PROFESSIONAL ACCOUNTANTS

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FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Statement of Cash Flow
Year Ended March 31, 2016
(Unaudited)

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (41,618)	\$ 40,950
Item not affecting cash:		
Amortization of capital assets	14,783	15,811
	<u>(26,835)</u>	<u>58,761</u>
Changes in non-cash working capital:		
Accounts receivable	(2,423)	7,280
Accounts payable	(502)	(4,052)
Goods and services tax payable	(770)	11,155
Employee deductions payable	1,512	(616)
Wages payable	(6,162)	3,425
Prepaid expenses	466	(573)
Deferred income	20,000	(28,500)
Deferred contribution	(13,686)	(13,686)
	<u>(2,025)</u>	<u>(25,579)</u>
INCREASE (DECREASE) IN CASH FLOW	(28,860)	31,182
Cash - beginning of year	<u>156,588</u>	<u>125,406</u>
CASH - END OF YEAR	\$ 127,728	\$ 156,588

See notes to financial statements **OBARA & COMPANY**
CHARTERED PROFESSIONAL ACCOUNTANTS

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FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Notes to Financial Statements
Year Ended March 31, 2016
(Unaudited)

1. PURPOSE OF THE ORGANIZATION

Family Services of Greater Victoria Society is a local organization providing a comprehensive range of services to families and individuals. Counseling, mediation, group programs, parenting support and family law information are the core services. The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue includes grants, donations, fees and gaming.

Donated services

The Society benefits greatly from donated services in the form of volunteer time for various committees. The value of donated services is not recognized in these financial statements.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Leasehold improvements	8 years	straight-line method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

One-half of the above amortization rates are utilized during the year of acquisition.

Contributions of capital assets are capitalized at their fair market value at the date of the contribution.

(continues)

OBARA & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Notes to Financial Statements
Year Ended March 31, 2016
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

- (i) Unrestricted Net Assets represents the monies received and expended in the general day-to-day operations of the Society.
- (ii) Contingency Fund was established in order to finance operations in case of emergency.
- (iii) Invested in Capital Assets reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Society's carrying value of cash, accounts receivable, and accounts payable approximate its fair value due to the immediate or short term nature of these instruments. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, credit, market, liquidity, currency or other price risks arising from these financial instruments.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Leasehold Improvements	\$ 109,488	\$ 47,901	\$ 61,587	\$ 75,274
Furniture and fixtures	26,937	22,957	3,970	4,962
Computer equipment	10,967	10,722	245	349
	<u>\$ 147,392</u>	<u>\$ 81,580</u>	<u>\$ 65,802</u>	<u>\$ 80,585</u>

5. ECONOMIC DEPENDENCE

The Society is significantly dependent on its grants from the Law Foundation, United Way and Direct Access. This dependence is partly mitigated by fee revenue.

OBARA & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

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FAMILY SERVICES OF GREATER VICTORIA SOCIETY
Notes to Financial Statements
Year Ended March 31, 2016
(Unaudited)

6. DEFERRED INCOME

The balance represents funds received during the current fiscal year which relate to funding for the next fiscal year. Continuity of the deferral is as follows:

	2016	2015
Opening balance	\$ 99,000	\$ 127,500
Amount recognized as revenue	(99,000)	(127,500)
Amount deferred in the year	<u>119,000</u>	<u>99,000</u>
Ending balance	<u>\$ 119,000</u>	<u>\$ 99,000</u>

7. DEFERRED CONTRIBUTION RELATED TO LEASEHOLD IMPROVEMENTS

Deferred contributions related to leasehold improvements represent premises renovations funded by Vancity and The Law Foundation of British Columbia. The funds are recognized as revenue as the leasehold improvements are amortized. The changes in the deferred contributions balance for the fiscal period are as follows:

	2016	2015
Opening balance	\$ 75,273	\$ 88,959
Less: Amount amortized to revenue	(13,686)	(13,686)
Ending balance	<u>\$ 61,587</u>	<u>\$ 75,273</u>

8. LEASE COMMITMENTS

The Society entered into two new premise leases for office space in 2012. The terms of each lease are for 5 years commencing September 1, 2012 and terminating on August 31, 2017, with an option to renew for 3 years for two additional periods.

The premise lease known as Unit 899 has basic monthly rental payments, not including GST of \$2,817.33 for the first three years and \$2,944.50 for the remaining two years.

The premise lease known as Unit 805 has basic monthly rental payments, not including GST of \$896.67 for the first three years, \$1,120.83 for year four, and \$1,345 for the final year.

In addition to the above basic costs, common area costs per year are estimated to range between \$31,784 and \$40,205, not including GST.

Basic costs, not including common area, are:

2017	\$ 50,353
2018	<u>21,448</u>
	<u>\$ 71,801</u>

OBARA & COMPANY
 CHARTERED PROFESSIONAL ACCOUNTANTS

OFFICE LEASE

BASIC TERMS

1. LANDLORD: Multiple Sclerosis Society of Canada
2. LANDLORD'S ADDRESS: 500-250 Dundas St. West
Toronto, ON
M5T 2Z5
3. TENANT: Bionic Trousers Media Inc.
4. TENANT'S ADDRESS: 1030 North Park Street
Victoria, BC
V8T 1C6
5. LEASED PREMISES: Approximately 1,718 square feet on the first floor of that building known as The MS Centre and located at 1004 North Park Street, Victoria, British Columbia.
6. TERM: 2 year, beginning on January 1, 2016 (the "Commencement Date") and ending on December 31, 2017
7. SEMI-GROSS RENT: \$15 per square foot per annum (\$2,147.50 per month)
8. SECURITY DEPOSIT \$2,147.50
9. INDEMNIFIER (if applicable): N/A
10. SPECIAL PROVISIONS (if applicable)
 - i. Parking: 2 designated parking spaces
 - ii. Tenant is free to repaint the interior space to a mutually agreeable colour

THIS LEASE is dated October 19, 2015, and is made between

Multiple Sclerosis Society of Canada

(the "Landlord")

-and-

Bionic Trousers Media Inc.

(the "Tenant")

1.

GRANT

1. The Leased Premises

The Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises, to have and to hold for the Term, unless sooner terminated. The Tenant accepts the Leased Premises "as is". The Tenant's entering into possession of all or any part of the Leased Premises is conclusive evidence of the acceptance by the Tenant of the condition and state of repair of the Leased Premises and the Tenant has no rights in respect thereof. There are no promises, representations or undertakings by or binding upon the Landlord with respect to the use of the Leased Premises or any alteration, remodelling or redecorating of or installation of equipment or fixtures in the Leased Premises, except as are expressly set forth in this Lease, if any.

2. Use of Common Elements

The Tenant has the non-exclusive right to use the Common Elements for the purposes for which they are intended, subject to this Lease.

3. Quiet Enjoyment

If the Tenant performs its obligations under this Lease, it may hold and use the Leased Premises without interference by the Landlord or any other Person claiming through the Landlord, subject to this Lease.

2.

TENANT'S COVENANTS

1. Semi-Gross Rent and Property Taxes

- a. The Tenant will pay to the Landlord, without demand, the Semi-Gross Rent on the Commencement Date and thereafter on the first day of every month of the Term.
- b. It is clearly understood by both parties that, except as set out below with respect to property taxes, this Lease is completely Gross to the Tenant and, except as otherwise provided herein, there shall be no further charges and/or escalations to the Tenant during the Term.
- c. In addition to Semi-Gross Rent, the Tenant will pay to the Landlord its proportionate share (namely 11.69%) of any property or realty taxes payable by the Landlord in respect of the building and lands on which the Leased Premises is situated. The Tenant's proportionate

share of such taxes will be payable in arrears on an annual basis within 30 days after presentation by the Landlord of an invoice for such amount together with a copy of the Landlord's property tax bill for such year (provided that in the final year of the Term, the Landlord may invoice Tenant for its pro rata proportionate share of estimated realty taxes through to the date of expiration or earlier termination of this Lease.

2. Security Deposit

The Tenant has deposited or shall deposit upon execution of this Lease with the Landlord the Security Deposit. The Landlord shall hold the Security Deposit without interest as security for the prompt performance and observance by the Tenant of all of the terms, covenants, conditions and provisions of this Lease to be kept, performed and observed by the Tenant during the Term and any tenancy resulting from holding over. If at any time any Rent is overdue, the Landlord may, at its option, appropriate and apply all or any portion of the Security Deposit to the payment of such Rent. In addition, if the Tenant defaults in the performance or observance of any of the terms, covenants, conditions or provisions of this Lease, then the Landlord may, at its option, appropriate and apply all or any part of the Security Deposit on account of any losses or damages sustained by the Landlord as a result of such default. If all or any part of the Security Deposit is appropriated and applied by the Landlord, then the Tenant shall, within three (3) days after demand from the Landlord, remit to the Landlord an amount sufficient to restore the Security Deposit to the original sum deposited. If the Tenant complies with all the terms, covenants, conditions and provisions of this Lease and promptly pays all Rent and other amounts as provided in this Lease when due, Landlord shall return the Security Deposit in full without interest to the Tenant within thirty (30) days after the later of the end of the Term and the date on which the Tenant vacates the Leased Premises. The Landlord may deliver the Security Deposit, or such portion thereof remaining on hand to the credit of the Tenant, to any purchaser, Mortgagee or assignee of the Landlord's interest in the Leased Premises or this Lease and thereupon the Landlord will be and is hereby discharged from any further liability with respect to the Security Deposit.

3. Taxes

- a. The Tenant will pay any other Sales Tax imposed by the applicable legislation on the Tenant in respect of this Lease, in the manner and at the times directed by the applicable legislation. The Landlord will have all of the same remedies and rights of recovery for it as it has for non-payment of Rent.
- b. The Tenant will promptly pay all business taxes for the Leased Premises to the taxing authorities.

4. Post-dated Cheques and Overdue Rent

The Tenant will deliver to the Landlord, at the beginning of each twelve (12) month period (or less if the Term remaining is less than twelve (12) months), a series of monthly post-dated cheques for the total of the monthly payments of Semi-Gross Rent. If the Tenant defaults in paying Rent, the unpaid Rent bears interest at the Stipulated Rate from the due date to the date of payment.

5. Use

The Tenant will use the Leased Premises only for office and storage purposes.

6. Observance of Law

The Tenant will promptly comply with all governmental requirements from time to time in effect.

7. Tenant's Insurance

- a. The Tenant will maintain at its cost (i) "all risks" property insurance insuring all property owned by the Tenant (which will contain the standard mortgage clause required by each Mortgagee) and (ii) public liability and property damage insurance with respect to the Leased Premises and the Tenant's

use of the Building (which will be written on a comprehensive basis with inclusive limits of at least two million dollars (\$2,000,000.00) for each occurrence for bodily injury for any one or more Persons or property damage and contain a severability of interests clause and cross liability clauses).

- b. Each policy of insurance will name, as insureds, the Tenant and the Released Persons, each as their respective interests may appear. The policies (other than the Tenant's liability policy) will contain a waiver of any subrogation rights which the Tenant's insurers may have against the Released Persons and those for whom any of them is in law responsible, whether or not any loss or damage is caused or contributed to by the negligence of any of them. All policies will (i) be non-contributing and apply only as primary and not excess to any other insurance available to any of the Released Persons; (ii) not be invalidated (in relation to the interests of any of the Released Persons) by reason of any breach of warranties, representations, declaration or conditions contained in the policies; and (iii) contain an undertaking by the insurers to notify the Landlord and each Mortgagee in writing not less than thirty (30) days before any material change, cancellation or termination.
- c. Prior to taking possession of the Leased Premises and on every renewal date, the Tenant will deliver certificates of insurance executed by the Tenant's insurers.

8. Release

Except to the extent of its gross negligence, none of the Released Persons is liable for any death or injury from any occurrence in, or relating to any part of the Building or damage to or loss of property of the Tenant or of others wherever located, however caused, including any failure in the supply of any services or utilities, the existence of any Hazardous Substances or the exercise by the Landlord of any of its rights under this Lease.

9. Indemnity

Unless arising from the gross negligence of a Released Person, the Tenant will indemnify the Released Persons from all losses or claims in connection with loss of life, personal injury, damage to property or anything else arising from a default of any of the Tenant's obligations under this Lease, or from any occurrence in or relating to the Leased Premises, or occasioned wholly or in part by an act or omission of the Tenant or those for whom the Tenant is legally responsible.

10. Maintenance and Alterations

- a. Subject to Article 4, the Tenant will keep the Leased Premises and all improvements, fixtures and equipment in the Leased Premises which are not part of the Common Elements in a first-class condition and state of repair, subject to reasonable wear and tear.
- b. The Tenant will not make any Alterations to the Leased Premises without the Landlord's prior written approval, which will not be unreasonably withheld if: (i) the Alterations meet the then current standard for the Building; (ii) adequate plans and specifications are produced; and (iii) the Tenant has obtained all requisite governmental approvals.
- c. All Alterations will be performed: (i) by qualified contractors approved by the Landlord; (ii) in a good and skilful manner; and (iii) in accordance with applicable laws, the approved plans and specifications and the Landlord's reasonable requirements.
- d. If any part of the Building requires repair, replacement or alteration because of anything done or omitted to be done by the Tenant or its officers, directors, agents, employees, contractors, invitees or licensees then the Tenant will pay to the Landlord, on demand, the Landlord's cost of the repairs, replacements or alterations, plus an Administration Fee.

11. Removal of Alterations and Restoration of Leased Premises

All Alterations which are not the Tenant's trade fixtures are leasehold improvements and the property of the Landlord. The Tenant will not remove any leasehold improvements from the Leased Premises at any time prior to the expiry or earlier termination of this Lease. At that time, the Tenant will remove at its own expense those leasehold improvements installed by or on behalf of the Tenant that the Landlord requires it to remove and its trade fixtures, or else they will, at the Landlord's option, become the property of the Landlord. The Tenant will repair any damage caused to any part of the Building by such removal. At the expiry or termination of this Lease, the Tenant will also deliver all keys and security cards for the Leased Premises to the Landlord.

3.

LANDLORD'S COVENANTS

1. Climate Control

The Landlord will provide heating, ventilating and cooling to the Common Elements and to the Leased Premises adequate for normal occupancy.

2. Landlord's Insurance

The Landlord will maintain: (a) all risks insurance on the Building (excluding any property of the Tenant or any other Persons on the Leased Premises); (b) public liability and property damage insurance with respect to the Landlord's operations in the Building; and (c) whatever other forms of insurance the Landlord or the Mortgagee reasonably consider advisable. The Landlord's insurance will be in those reasonable amounts and with those reasonable deductibles that a prudent owner of a similar building would maintain, having regard to size, age and location. This Section does not relieve the Tenant from liability arising from or contributed to by its negligence or misconduct. The Tenant has no insurable interest and no right to receive proceeds or other benefits under any of the Landlord's insurance policies.

3. Maintenance and Repairs

Subject to Article 4, the Landlord will maintain and repair the Building, including ordinary maintenance of the Leased Premises (other than janitorial services and maintenance and repair of Tenant's Alterations) as would a prudent owner of a similar Building, having regard to size, age and location, subject to the following exceptions: (a) any occurrence not covered by insurance required to be maintained by the Landlord under this Lease, or where the cost of repair exceeds the insurance proceeds actually received by the Landlord (not taking into account deductibles); and (b) damage or injury caused or to the extent contributed to by anything done or omitted to be done by the Tenant or those for whom it is legally responsible.

4. Janitorial Service/Telephone

The Landlord will provide janitorial services for the Common Elements and for the Leased Premises in keeping with the standards appropriate to the Building and its market. The Tenant is responsible, at its own expense, for all telephone, internet and other communications-related charges, including installation of a separate telephone line.

5. Control of the Building by the Landlord

- a. The Landlord will control the management and operation of the Building. In doing so, the Landlord will have, among its other rights, the right to: (i) temporarily obstruct or close off parts of the Building for maintenance, repair or construction; (ii) perform any act as, in the use of good business judgement, the Landlord determines to be advisable for the more efficient and proper operation of the Building; (iii) make changes or improvements to all or any part of the Building; and (iv) relocate the Leased Premises.

- b. Despite anything to the contrary in this Lease, the Landlord is not liable for and the Tenant will not be entitled to any compensation or Rent reduction as a result of any change in the Common Elements caused by the Landlord's exercise of its rights under this Lease or any repairs, alterations, improvements or additions being made to the Common Elements or the Leased Premises.

6. Landlord's Right of Entry

It is not a re-entry or a breach of quiet enjoyment if the Landlord enters the Leased Premises at reasonable times after one (1) day's notice (but if the Landlord determines there is an emergency, no notice is required): (i) to examine them, including an examination to ensure that there are no Hazardous Substances present and there are appropriate safeguards in place to avoid the existence of any Hazardous Substances; (ii) to make permitted or required repairs, alterations, improvements or additions to the Leased Premises or the Building; or (iii) to show them to prospective purchasers, tenants or mortgagees, in each case (to the extent reasonably possible in the circumstances) without unreasonably interfering with the Tenant's business operations in the Leased Premises. The Landlord may take material onto the Leased Premises for these purposes.

4.

DAMAGE AND DESTRUCTION AND EXPROPRIATION

1. Damage to the Leased Premises

Subject to Section 4.02, if the Leased Premises are damaged or destroyed as a result of a peril insured or required to be insured against by the Landlord, the Landlord will repair the Leased Premises promptly to the extent of the Landlord's Work, at the Landlord's expense. If the Leased Premises is not usable for the purposes contemplated by this Lease because of the damage or destruction, Semi-Gross Rent will abate from the date of the damage or destruction until the date when the Landlord substantially completes the Landlord's work.

2. Damage to Building

- a. Despite anything to the contrary in this Lease, if the Building is damaged or destroyed, whether or not the Leased Premises are affected, to such an extent that in the Landlord's opinion the repair or replacement of the Building is impractical or not financially prudent, then the Landlord may, upon thirty (30) days' notice to the Tenant given within ninety (90) days after the damage or destruction, terminate this Lease, and all Rent will abate as of the effective date of the termination.
- b. If the Landlord does not terminate this Lease, the Landlord will promptly rebuild or repair the Building to the extent of its obligations under its leases for leasable premises but the rebuilt or repaired Building may be different in configuration or design from the Building before the damage or destruction.

5.

TRANSFERS BY TENANT AND SALE OR FINANCING BY LANDLORD

1. Consent to Transfer

No Transfer will take place without the consent of the Landlord, which may not be unreasonably withheld.

2. Transfer Conditions

The following conditions apply to Transfers and to consents given by the Landlord: (a) the Landlord's consent is not a waiver of the requirement for consent to subsequent Transfer; (b) the Transferor will remain liable for the Tenant's obligations; (c) the Transferee will execute an agreement directly with the Landlord

agreeing to be bound by this Lease as Tenant (and the Tenant will pay all of the Landlord's reasonable costs in connection with all documentation); and (d) the Landlord may apply amounts collection from the Transferee to any unpaid Rent.

3. Additional Terms Respecting Transfers

- a. Acceptance by the Landlord of Rent or other payments by a Transferee is not, (i) a waiver of the requirement for the Landlord to consent to the Transfer, (ii) the acceptance of the Transferee as Tenant, or (iii) a release of the Tenant from its obligations under this Lease.
- b. No part of the Leased Premises or this Lease will be listed or advertised by the Tenant or any other Person for the Purpose of a Transfer.

4. Sale by the Landlord

If the Landlord transfers or disposes of all or any part of the Building or the Landlord's interest under this Lease, then to the extent that the transferee or disposee agrees with the Landlord to assume its obligations under this Lease, the Landlord will be released from them, except for existing defaults as of the date of the transfer or disposition.

5. Subordination and Attornment

This Lease is subordinate to every existing and future mortgage, charge, trust deed, financing, refinancing or collateral financing against the Leased Premises or the Building and any renewals or extensions of or advances under them (collectively, "encumbrances"). The Tenant will, on request, attorn to and recognize as landlord the holder of any such encumbrance, or any transferee or disposee of the Building or of an ownership or equity interest in the Building. The Tenant will, within fifteen (15) days after request, sign and deliver any reasonably requested subordination or attornment document or status statement or certificate.

6.

DEFAULT

1. Event of Default

- a. If an Event of Default occurs, (i) the balance of all Rent for the remainder of the Term (or for what would have been the remainder of the Term had the Lease not been terminated) will immediately be due and payable, and (ii) the Landlord may re-enter and re-possess the Leased Premises. If the Landlord re-enters, this Lease and all of the Tenant's rights under it will terminate without prejudice to the Landlord's right to recover any arrears of Rent and damages for any previous breach by the Tenant of this Lease. Despite any termination for an Event of Default, the Landlord may sue the Tenant for damages, including loss of future Rent as a result of this Lease being prematurely terminated and the cost of recovering the Leased Premises. If any legal proceedings are instituted because of an Event of Default, the Tenant will pay the Landlord's expenses, including legal fees on a solicitor and client basis.
- b. If the Tenant is in default in the performance of any of its covenants or obligations under this Lease (other than the payment of Semi-Gross Rent or other sums required to be paid pursuant to this Lease), the Landlord may, but is not obligated to, from time to time after giving such Notice as it considers sufficient having regard to the circumstances applicable (and without Notice in the case of an emergency), perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose may do such things as may be required, including entering upon the Leased Premises and doing such things upon or in respect of the Leased Premises or any part thereof as the Landlord reasonably considers necessary or desirable. The Tenant shall pay to the

Landlord all expenses incurred and expenditures made pursuant to this Section plus the Administration Fee as Additional Charges forthwith upon demand.

2. Re-entry Without Termination

No re-entry or taking possession of the Leased Premises by the Landlord will be considered an election to terminate this Lease unless a written notice of such intention is given to the Tenant. If the Landlord re-enters or takes possession of the Leased Premises, it may either terminate this Lease or make any necessary alterations and repairs in order to relet all or any part of the Leased Premises, for a term (which may extend beyond the Term), at a rental rate and on any other terms the Landlord in its sole discretion considers advisable. All Rent received by the Landlord from each reletting will be applied in the following order: any indebtedness other than Rent due; any costs of reletting; any arrears of Rent; and any remainder applied against future Rent. If rent received from the reletting for any month is less than the Rent to have been paid by the Tenant for that month, the Tenant will pay the deficiency monthly in advance on the first day of each month. If the Landlord relets without terminating, it may nevertheless subsequently terminate the Lease for the previous Event of Default.

3. Application of Money

The Landlord may apply amounts received from or due to the Tenant against amounts due and payable under this Lease, even if otherwise requested by the Tenant, unless the Tenant can satisfactorily demonstrate to the Landlord, acting reasonably, that an amount is in fact not due and payable.

4. Remedies Generally

The remedies under this Lease are cumulative and may be exercised independently or in combination with others. No remedy is exclusive or dependent on any other remedy. The specifying or use of a remedy under this Lease does not limit rights to use other remedies available at law generally.

7.

GENERAL PROVISIONS

1. Landlord and Representatives to Act Reasonably in Good Faith

In making a determination, calculation, estimate, or allocation or in granting any consent or approval under this Lease, the Landlord will act reasonable and in good faith, subject to the specific provisions of this Lease. Each accountant, architect, engineer, surveyor or other professional Person employed or retained by the Landlord will act in accordance with the applicable principles and standards of the Person's profession.

2. Entire Agreement and General Interpretation

This Lease includes any Schedules and riders attached to it. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties concerning this Lease, the Leased Premises, the Building or any other related matter, except those that are set out in this Lease. No amendment or addition to this Lease is binding upon the Landlord or the Tenant unless it is in writing and signed by the Tenant and the Landlord. Each obligation under this Lease is a covenant. The Basic Terms, captions, section numbers and article numbers do not define, limit, construe, or describe the scope or intent of the sections or articles. The liability to pay Rent and perform all other obligations under this Lease of each individual, corporation, group, partnership or business association signing this Lease or otherwise agreeing to be bound by the terms of this Lease and of each partner or member of any such group, partnership or business association, the partners or members of which are by law subject to personal liability, will be deemed to be joint and several (including, in any event, any person who ceases to be a partner or member or any person who becomes a partner or member, in each case following the execution of this Lease). The use of the neuter singular pronoun to refer to the Tenant is a proper reference even though the Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The grammatical changes needed to make the provisions of this Lease apply in the plural sense when there is more than

one Tenant and to corporations, associations, partnerships or individuals, males or females, are implied. Wherever the word "including" is used it is intended to mean "including but not limited to", and "includes" has a corresponding meaning. This Lease will be governed by the laws of Canada and the Province in which the Building is located. All monetary amounts refer to Canadian dollars. Time is of the essence of this Lease.

3. Confidentiality

The terms and conditions of this Lease are confidential and will not be disclosed to any other Person other than a party's professional advisors, auditors or as required by law or Court order.

4. Force Majeure

Notwithstanding anything to the contrary contained in this Lease, if either party is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required under this Lease by reason of Unavoidable Delay, then performance of such term, covenant or act is excused for the period of the delay and the party so delayed, hindered or prevented shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section do not operate to excuse the Tenant from the prompt payment of Semi-Gross Rent or any other payments required by this Lease.

5. Severability

If a part of this Lease or the application of it is unenforceable or illegal to any extent, the part: (i) is independent of and severable from the remainder of this Lease, and its unenforceability or illegality does not affect the remainder of this Lease; and (ii) continues to be enforceable to the fullest extent permitted by law. No part of this Lease will be enforced against a Person, if, or to the extent that by doing so, the Person is made to breach a law, rule, regulation or enactment.

6. Brokerage Commissions

The Tenant represents and warrants and covenants that no act of the Tenant has given rise to or will give rise to any claims against the Landlord for any brokerage commission, finder's fee or similar fee in respect of this Lease. The Tenant shall indemnify and hold the Landlord harmless from any claims, costs and expenses in connection with the payment of such commissions or fees, except any which were directly contracted for by the Landlord.

7. Overholding

If the Tenant remains in possession of the Leased Premises after the Term, there is no tacit renewal of this Lease despite anything to the contrary, and the Tenant will occupy the Leased Premises as a month to month tenant. The monthly Semi-Gross Rent, payable in advance on the first day of each month, will be equal to the total of twice the Semi-Gross Rent payable for the last month of the Term. All of the other provisions of this Lease will apply as far as they can to a monthly tenancy, with any necessary modifications being assumed.

8. Successors

This Lease applies to the successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and permitted assigns of the Tenant. If there is more than one Tenant, they are individually and collectively liable under this Lease.

9. Waiver

The waiver by the Landlord or the Tenant of a default under this Lease is not waiver of any subsequent default. The Landlord's acceptance of Rent after a default is not a waiver of any preceding default under this Lease even if the Landlord knows of the preceding default at the time of acceptance of the Rent. No obligation

or term of this Lease will be considered to have been waived by the Landlord or the Tenant unless the waiver is in writing.

10. Counterparts

This Lease may be executed by the parties in separate counterparts all of which, when taken together, will constitute a single agreement among the parties. Execution of this Lease by a party may be evidenced by way of a faxed or emailed (by way of an Adobe Acrobat PDF file) transmission of such party's signature, or by a photocopy of a party's signature, each of which will constitute the original signature of such party to this Lease.

11. Notices

Notices, demands, consents or requests (a "Notice") under this Lease will be in writing and will be delivered in person or sent by registered mail postage prepaid and addressed: (a) if to the Landlord, at the address specified in paragraph 2 of the Basic Terms or to such other Person at any other address that the Landlord designates by Notice; and (b) if to the Tenant, at the Leased Premises, or, at the Landlord's option, to the Tenant's address specified in Paragraph 4 of the Basic Terms.

A Notice will be considered to have been given or made on the day that it is delivered, or, if mailed, provided postal service is not or is not expected to be interrupted, three (3) days after the date of mailing. If there is more than one Tenant, it will suffice if the Landlord delivers or mails a Notice to only one of them.

12. Registration

The Tenant will not allow this Lease or a caveat, notice or short form of lease or any assignment or sublease or other document evidencing an interest of the Tenant in this Lease or the Leased Premises to be registered against title to the Lands.

13. Secured Claims

The Tenant will ensure that no Secured Claim is registered or filed against: (a) any part of the Building; (b) the Landlord's or any Mortgagee's interest in any part of the Building; or (c) the Tenant's interest in the Leased Premises or any of the leasehold improvements in the Leased Premises; by any Person claiming by, through, under or against the Tenant or its contractors or subcontractors. If a Secured Claim is registered or filed and the Tenant fails to promptly discharge it after receipt of notice from the Landlord, the Landlord may discharge the Secured Claim or notice of it by paying the amount claimed to be due into court (together with whatever additional amounts are required to be paid into court to obtain its removal) or directly to the holder of the Secured Claim and the Tenant will pay to the Landlord on demand all costs (including legal fees) incurred by the Landlord in connection with the Secured Claim, plus an Administration Fee.

14. Rules and Regulations

The Tenant will comply with the Rules and Regulations passed and revised by the Landlord from time to time ("Rules and Regulations"). However, the Tenant will not be responsible for complying with any Rules and Regulations in addition to those contained in Schedule "A", unless notice of them is first given to the Tenant. No Rules and Regulations will be enforced against the Tenant in a discriminatory manner or impose any charge or payment on the Tenant which is not expressly provided for in this Lease.

15. Acceptance of Lease

The Tenant accepts this Lease of the Leased Premises to be held by it as Tenant, subject to the terms set out in this Lease.

THE PARTIES HAVE SIGNED BELOW to indicate their agreement.

SIGNED, SEALED AND DELIVERED)

in the presence of:)

Multiple Sclerosis Society of Canada

(Landlord)

Per:)

Name: David Arbuthnot

Title: VP IT & Facilities

Oct 30, 2015

Per:)

Name: Todd Abernethy

Title: Regional Director, VIR

Nov 5, 2015

Bionic Trousers Media Inc

(Landlord)

(Tenant)

Per:)

Name: Graham Stark

Title: PRESIDENT, BTM Inc.

Per:)

Name: Paul Saunders

Title: President, BTM Inc.

SCHEDULE OF DEFINITIONS

"Additional Charge" means any amount payable by the Tenant to the Landlord under this Lease, in addition to Semi-Gross Rent, including the Tenant's proportionate share of realty taxes.

"Administration Fee": fifteen percent (15%) of the amounts to which the fee is applied.

"Alterations": any repairs, alterations, replacements, decorations or improvements to the Leased Premises.

"Building" means property municipally described in paragraph 5 of the Basic Terms, including the lands (as they may be altered from time to time) and the structures, buildings, Common Elements, Facilities and all leasable premises located on them from time to time.

"Common Elements": means the structural elements and the areas, facilities, utilities, improvements, equipment fixtures and installations (the "Facilities") designated from time to time as Common Elements by the Landlord, including HVAC System and any Facilities outside the Building that serve the Building.

"Event of Default": whenever:

- a. any Rent is not paid when due and the non-payment continues for five (5) days after notice to the Tenant;
- b. any of the Tenant's obligations under this Lease is breached (other than a breach specified in paragraph (c) and (i) the breach is not remedied within ten (10) days after notice to the Tenant specifying particulars of the breach, or (ii) if ten (10) days is not a reasonable time to remedy the breach, the Tenant has not commenced diligently to remedy the breach within the ten (10) day period or is not proceeding diligently to remedy the breach within a reasonable time; or
- c. any of the following events occurs: (i) the Tenant, or an Indemnifier becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors; (ii) a receiver or manager is appointed for all or a part of the property of the Tenant or of an Indemnifier or any of the Tenant's assets are taken or seized under a writ of execution, assignment, charge or other security instrument; (iii) steps are taken for the dissolution winding up or other termination of the Tenant's or the Indemnifier's existence or for the liquidation of their respective assets; (iv) the Tenant or the Indemnifier makes or attempts to make a bulk sale of assets regardless of where they are situated; (v) the Tenant abandons or attempts to abandon the Leased Premises; or (vi) the Tenant effects or attempts to effect a Transfer that is not permitted under this Lease.

"HVAC System": the heating, ventilation and air-conditioning Facilities operated and maintained by the Landlord.

"Hazardous Substances": any hazardous or toxic substances or materials including any products of waste, asbestos, urea formaldehyde foam insulation, radon gas and PCB's, or any other contaminant or pollutant, including any substance from time to time defined as a contaminant or pollutant or as a hazardous or toxic substance or material under any environmental law.

"Mortgagee": a creditor that holds all or part of the Building as security, but a creditor, chargee or security holder of a tenant is not a Mortgagee.

"Person": any person, firm, partnership, corporation or other legal entity, including any combination of them.

"Prime Rate": the annual rate of interest from time to time publicly quoted by the Royal Bank of Canada as its reference rate of interest (commonly known as its "prime rate") for determining rates of interest chargeable in Toronto on Canadian dollar demand loans to commercial customers.

"Released Persons": the Landlord and any Mortgagee, and each of their respective directors, officers, employees (while in the ordinary course of their employment) and agents. In connection with any release or other exculpatory language or an indemnity in favour of the Released Persons, the Landlord is the agent or trustee of and for the benefit of the Mortgagee and all of the directors, officers, employees and agents mentioned above.

"Rent": Semi-Gross Rent and Additional Charges. Rent is payable in Canadian funds without any deduction, abatement or set-off. Rent payable to the Landlord will be paid to the address set out in Paragraph 2 of the Basic Terms or at any other place which the Landlord designates in writing. Rent for any fractional month at the beginning or end of the Term will be pro-rated on a daily basis using a period of 365 days.

"Sales Tax": harmonized goods and services taxes, value-added taxes, multi-stage taxes, business transfer taxes or other similar taxes however they are characterized.

"Secured Claim": a construction or other lien or claim, a fixed or floating charge, mortgage, security interest, debenture or other encumbrance, or a notice of any of them.

"Stipulated Rate": the annual rate of interest that is the lesser of (a) the Prime Rate plus five (5) percentage points and (b) the maximum rate permitted by law.

"Transfer": (a) an assignment, sale, conveyance, sublease, licensing or other disposition, or a mortgage, charge or debenture (floating or otherwise) or other encumbrance of this Lease or any interest in it or all or any part of the Leased Premises (whether by operation of law or otherwise), or of any interest in a partnership that is a Tenant under this Lease; (b) a parting with or sharing of possession of all or part of the Leased Premises; (c) a transfer or issue by sale, subscription, assignment, bequest, inheritance, operation of law or other disposition, of all or part of the shares of the Tenant or any of its affiliates (as currently defined under the Canada Business Corporations Act) which results in a change in the effective voting control of the Tenant; or (d) a merger amalgamation or other similar corporate reorganization involving the Tenant. "Transferor" and "Transferee" have corresponding meanings.

SCHEDULE "A"

RULES AND REGULATIONS

The Tenant will:

1. comply with reasonable requests of the Landlord for conservation of energy and life safety;
2. be entitled to use the washrooms, if any, on the Tenant's floor of the Building; and
3. use only the window coverings specified by the Landlord and will not install or permit to be installed on or adjacent to the windows in the Leased Premises any other window coverings or shades whether or not visible from the outside of the Building.

The Tenant will not:

- (A) install equipment that overloads the capacity of any utility, electrical or mechanical Facilities in or serving the Leased Premises;
- (B) bring into the Leased Premises any utility, electrical or mechanical Facilities or service not approved by the Landlord in advance;
- (C) bring anything upon the Leased Premises that might damage them or overload the floors;
- (D) allow or cause any trash or debris to be left in any part of the Building outside of the Leased Premises;
- (E) allow the sidewalks, entrances, passages, elevators, and staircases to be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the Leased Premises or the Building;
- (F) place or cause to be placed any additional locks upon any doors of the Leased Premises without the approval of the Landlord and subject to any conditions imposed by the Landlord;
- (G) use the plumbing facilities for any other purpose than that for which they were constructed;
- (H) use any part of the Leased Premises for lodging, sleeping or any illegal purpose;
- (I) permit any cooking of any food or liquids in the Leased Premises without the written consent of the Landlord;
- (J) use the Leased Premises for any activity which directly or indirectly involves the preparation, production, generating, storage, removal or disposal of any Hazardous Substances;
- (K) canvass, solicit or peddle in or about the Building;
- (L) allow any odours, vibrations, noises, electronic interference or other undesirable effects to emanate from the Leased Premises or any equipment or installation therein, which in the Landlord's opinion, are objectionable or cause any interference with the safety, comfort or convenience of the Building;
- (M) receive or ship fixtures, furniture, equipment or articles of any kind except through facilities, doors and elevators designated by the Landlord, during hours prescribed by the Landlord and under the supervision of the Landlord;
- (N) obstruct or otherwise interfere with the heating, air-conditioning or ventilation units contained in the Building;

- (O) permit any of its servants, invitees, employees or agents to bring upon the Building or the Leased Premises any animals or bicycles; and
- (P) allow any sign, notice, lettering or advertisement to be placed on any part of the outside of the Building or on the exterior of the Leased Premises. The Landlord will install, at the Tenant's expense, the Landlord's standard tenant identification signs in accordance with the Landlord's design criteria, on or near the main door to the Leased Premises. The Landlord may provide a directory board in the main lobby of the Building, in which event the Tenant's name will be displayed at the Tenant's expense.