

AGREEMENT

This Agreement dated this 18th day of September, 2015, is made

BETWEEN:

FERNWOOD NEIGHBOURHOOD RESOURCE GROUP SOCIETY,

a company incorporated under the laws of British Columbia,

(the "Developer")

OF THE FIRST PART

AND:

MODO CO-OPERATIVE,

a Cooperative Association incorporated pursuant to
the *Cooperative Association Act* of British Columbia

("MODO")

OF THE SECOND PART

WHEREAS:

A. The Developer proposes to develop a building containing four (4) Unit rental housing units and two (2) commercial units, on the property currently known by its civic address as:

1310 Gladstone Avenue, Victoria, B.C.

and more particularly known and described by its four property identifying descriptions as:

PID: 009-192-026

The West ½ of Lot 7, Section 75, Victoria District Plan 277

(the "Development")

B. The Developer and Modo wish to ensure that the occupiers of the development, as renters or leaseholders, are able to become members of Modo by virtue of their rental or lease of the Units or Commercial Units of the Development.

WHEREFORE in consideration of the premises and the mutual covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

I. DEFINITIONS

"Agreement" means this agreement, any Schedules attached hereto which are referred to in this agreement, and every properly executed instrument which by its terms amends, modifies, supplements, or extends this agreement;

"Arbitrator" means a member in good standing of the Arbitrators Association of British Columbia;

"Commercial Units" means the individual commercial units available for lease in the Development;

"Developer" means the parties of the first part to this agreement and any heirs, administrators, successors, assigns, subsidiaries or nominees of the parties of the first part who may assume the right, title or interest in the Development and/or this agreement from the parties of the first part, and expressly includes any party which may manage or operate the Development from time to time;

"Development" means the rental housing development referred to in Article A of the recitals herein, and includes the property and the buildings being developed during and after the development has been completed;

"Development Permit" means the development permit issued in respect of the construction of the Development by the City of Victoria or applicable local government authority prior to the construction of the Development;

"Lease" means any agreement between a commercial party or parties and the Developer for a possessory interest in a Commercial Unit or Units of the Development for a fixed period of time;

"Leaseholder" means the first and subsequent commercial party or parties to any agreements providing for an interest in a Commercial Unit or Units of the Development for a fixed period of time;

"Mediator" means a member in good standing of the Arbitrators Association of British Columbia or Mediate BC;

"Membership Obligations" means and includes any and all obligations or liabilities that a member of the Modo or other person who participates in MODO's activities, including any Renter, may have or incur to MODO or any other member of Modo or

any other person as a result of or in connection with such membership in MODO, participation in the activities of MODO, use of MODO's vehicles, or otherwise associated with the ownership of shares of MODO including, without limiting the generality of the foregoing, the obligation to pay any fee, monthly administrative fee, charge, fine or other cost to MODO or any other person;

"Occupancy Date" means the date that the City of Victoria issues the first occupancy permit for a Unit in the Development;

"Occupancy Permit" means the Occupancy Permit issued by the City of Victoria or applicable local government on completion of the construction of the Development;

"Renter" means the first and each subsequent party renting a Unit in the Development, from time to time;

"Rental Agreement" means any agreement between a party and the Developer for the occupancy of a Unit in the Development for any length of time;

"Subject Shares" means the specific membership shares in MODO purchased by the Developer for the benefit of the Renters of the Development from time to time;

"Units" means the individual accommodation units available for rent in the Development; and

II. OBLIGATIONS OF THE DEVELOPER

1. The Developer will be the owner and developer of the Development, upon which there is to be built a rental building, which building will contain four (4) Residential Units and two (2) Commercial Units.
2. On the date this Agreement is executed, the Developer will forthwith pay MODO a non-refundable legal/administration fee of \$200. The Developer further agrees that the payment of the legal/administration fee is a reasonable estimate of damages suffered by MODO if this Agreement is terminated.
3. On the issuance by the City of Victoria of the appropriate and approved Occupancy Permit or Permits or similar purpose document for the Development, the Developer will forthwith:
 - (a) tender payment of \$2,000 to MODO, representing the price to purchase Fifty (50) MODO Subject Shares on behalf of each and every Unit to be occupied by the Renters of the Development (4 Units). (The price of each Subject Share will be \$10, for a total price \$2,000.).

- (b) tender payment of \$1,000 to Modo, representing the price to purchase Fifty (50) Modo Subject Shares on behalf of each and every Commercial Unit to be occupied by the Leaseholders of the Development (2 Commercial Units). (The price of each Subject Share will be \$10, for a total price \$1,000.).
- 4. Subject to Article 15 herein, the Developer will ensure that binding Rules in the form attached hereto as Schedule A will be included with the Rules and Regulations of any and all Rental Agreements and Leases that the Developer or its subsidiaries or any successors or assigns may enter into with Renters or Leaseholders for Units or Commercial Units in the Development respectively, from time to time.
- 5. The Developer warrants that it will be the owner and manager of the Development upon completion, and further warrants that it will cause its subsidiaries and any successors or assigns of the Developer or of its interests to be bound by the terms of this Agreement.
- 6. The Developer agrees that MODO will not be under any obligation whatsoever to provide share equity or services for use at the Development if MODO has not received full payment from the Developer by the required deadlines of the sums owing in Articles 2 and 3 of this Agreement.
- 7. The Fifty (50) Subject Shares allotted for each Unit in the Development, and the Fifty (50) Subject Shares issued for each Commercial Unit in the Development, will be registered in the name of and held by the Developer. The Developer is the legal owner of all the Subject Shares, and the beneficial interest vests in the Renters and Leaseholders. For clarity, all Subject Shares are held and owned by the Developer for the benefit of the Renters and Leaseholders of the designated Unit and Commercial Unit in the Development.
- 8. In dealing with the Subject Shares, the Developer agrees that:
 - (a) each of the Subject Shares will have a notation indicating that it is issued and to be held by the Developer or its subsidiaries or any successors or assigns pursuant to this Agreement; and
 - (b) there are no other obligations associated with the holding of these Subject Shares beyond that which is contemplated in this Agreement, in the rules and policies of MODO regarding its shares, or at law.
- 9. Any Rules or Regulations that the Developer or its subsidiaries or any successors or assigns may oblige the Renters or Leaseholders to follow with respect to MODO vehicles or participation in the benefits of membership, in addition to those outlined in Schedule A, will include, *inter alia*, the following:

- (a) a Renter or Leaseholder of a designated Unit or Commercial Unit in the Development who wishes to participate in the benefits of membership in MODO must apply to MODO, satisfy MODO's requirements for membership and enter into such agreements with MODO that MODO may require from its members generally;
 - (b) a Renter or Leaseholder of a designated Unit or Commercial Unit in the Development may only have the benefit of membership in MODO attached to the Fifty (50) Subject Shares associated with each Unit or Commercial Unit, allotted for the Renter's Unit or the Leaseholder's Commercial Unit for as long as the Renter or Leaseholder is entitled to hold the Unit or Commercial Unit by the terms of the Rental Agreement or Lease;
 - (c) no Renter or Leaseholder has any right to require MODO to redeem any Subject Shares per Unit or Commercial Unit held by the Developer for the benefit of such Renter or Leaseholder or to receive any amount that may be payable upon the redemption thereof;
 - (d) on a record date the Developer will be entitled to receive any dividend on the Subject Shares of each Unit held by the Developer for the benefit of such Renter or Leaseholder which may be declared by MODO as being payable to the owners of its shares on such Record Date; and
 - (e) each Renter or Leaseholder of a Unit of the Development will be responsible for and will save the Developer or its subsidiaries or any successors or assigns harmless from any and all Membership Obligations incurred by such Renter or Leaseholder and any and all actions, causes of action, costs or claims of whatsoever type or nature levied or made by MODO or by any other person as a result of or in connection with such Renter's or Leaseholder's participation in the activities of MODO, use of MODO vehicles or otherwise associated with the Subject Shares of, or membership in, MODO held by the Developer or its subsidiaries or any successors or assigns for the benefit of such Renter or Leaseholder.
10. The Developer will notify MODO when there is a change in the occupancy of one of the Units or Commercial Units, or when a Renter or Leaseholder ceases to be a Renter or Leaseholder in the Development.

III. OBLIGATIONS OF VICTORIA CAR SHARE CO-OPERATIVE

11. MODO will provide the Developer with marketing materials to promote active car share membership to potential Renters and Leaseholders.

12. MODO will provide orientation and membership activation services to all Renters and Leaseholders wishing to participate in the MODO or use MODO vehicles.
13. When requested by a new Renter or Leaseholder, or when notified by the Developer of a change in occupancy of a Unit or Commercial Unit of the Development, cancel the Subject Shares issued for the benefit of the previous Renter or Leaseholder and reissue shares for the benefit of new Renter or Leaseholder, as the case may be, and amend the MODO share register accordingly.

IV. TERMINATION AND MODIFICATION

14. The Developer and MODO agree that, if after execution of this Agreement, through no fault of their own, the Developer does not receive the Development Permit from the City of Victoria and/or appropriate public body then this Agreement shall be terminated and both parties will be relieved of their obligations hereunder. However, the Developer agrees that the sums the Developer has paid pursuant to Article 2 of this Agreement are non-refundable even if it does not receive the Development Permit.
15. MODO reserves the right to modify the Rules governing membership as set out in Schedule A. Upon any modification, MODO shall immediately notify the Developer in writing.
16. If the Development is destroyed and not rebuilt in a form substantially similar to the original buildings, then MODO may cancel all membership shares held by the Developer for the benefit of the Renters or Leaseholders of the Development, and the Developer will not be entitled to a refund of the share purchase price.
17. Either party shall have the right to terminate this Agreement forthwith on the dissolution, winding up or bankruptcy of the other party.
18. Neither party shall transfer or assign this Agreement to any other party without the prior written consent of the parties to this Agreement, which consent shall not be unreasonably withheld.

V. DEFAULT

19. A party claiming default under the terms of this Agreement must provide defaulting party with thirty (30) days written notice of the default. If the defaulting party fails to correct the default within 30 days of receipt of the

written notice, the party claiming default may proceed with the dispute resolution procedures provided for herein.

VI. DISPUTE RESOLUTION

20. Within thirty (30) calendar days after either party notifies the other of a dispute concerning this Agreement, its interpretation or any performance thereunder, the parties shall agree upon and appoint a Mediator for the purpose of mediating such dispute. The appointment of the Mediator shall be carried out in accordance with the terms and conditions of an agreement to be entered into between the parties and the Mediator which will set out the terms of reference for the engagement of the Mediator. The parties shall divide the cost of the Mediator equally. If the parties fail or neglect to agree upon a Mediator within the 30 calendar day period, the Mediator shall be appointed by reference to a Judge of the Supreme Court of British Columbia. No one shall act as a Mediator who has any direct or indirect interest in the subject matter of the Project or any direct or indirect interest in the parties to this Agreement.
21. The party initiating the dispute shall send a notice of dispute in writing to the other party which notice shall contain the particulars of the matter in dispute and the relevant provisions of the Agreement. The responding party shall send a notice of reply in writing to the other party to the dispute within ten (10) days after receipt of the notice of dispute, setting out particulars of its response and any relevant provisions of the Agreement.
22. After a period of ten (10) days following receipt of a responding party's written notice of reply, the parties shall request the Mediator to assist the parties to reach agreement on any unresolved dispute. The Mediator shall conduct a non-binding mediation of the dispute according to the rules and procedures as determined by the Mediator.
23. If the dispute has not been resolved within ten (10) days after the Mediator was requested under Article 30 to assist the parties to reach agreement, or within such further period agreed to by the parties, the Mediator shall terminate the mediated negotiations by giving notice in writing to both parties.
24. Except for claims for injunctive relief, all claims, disputes and other matters in question between the parties to the Agreement arising out of or relating to this Agreement which are not resolved by use of the Mediator, shall be decided by final and binding arbitration before a single Arbitrator in accordance with the *Commercial Arbitration Act* of British Columbia. The parties shall agree upon the Arbitrator within fifteen (15) days of the Mediator terminating the mediated negotiations. Failing such agreement

between the parties, such Arbitrator shall be finally chosen by reference to a Judge of the Supreme Court of British Columbia. The Arbitrator shall not have any direct or indirect interest in the subject matter of the Project or any direct or indirect interest in either party or subsidiaries of the parties to this Agreement. No arbitration arising out of or relating to this Agreement shall include, by consolidation or joinder or in any other manner, an additional person not a party to this Agreement, except by written consent containing specific reference to this Agreement and signed by the Owner, the Contractor and any other person sought to be joined. This provision shall be specifically enforceable in any Court of competent jurisdiction.

25. The parties covenant and agree that an arbitrator appointed hereunder has the power, among other things, to specifically declare that a party to this Agreement is in default of the terms of the Agreement and, in appropriate circumstances, declare that the Agreement is terminated and award damages for breach of contract or otherwise.
26. The award rendered by the Arbitrator shall be final and binding upon the parties, and Judgment may be entered upon it in accordance with applicable law in any Court having jurisdiction within the Province of British Columbia.
27. Unless otherwise agreed in writing by the parties, the parties shall continue to meet their obligations under this Agreement unless frustrated while the mediation and arbitration processes are continuing.
28. The dispute resolution provisions herein shall survive completion or termination of this Agreement.

NOTICES

29. Notices under this Agreement shall be given to the following addresses:

Fernwood Neighbourhood Resource Group Society

1240 Gladstone Avenue,
Victoria, BC, V8T 1G6

Modo Co-operative

200 – 470 Granville Street
Vancouver, BC, V6C 1V5

30. All notices are deemed to have been delivered on the next business day following its posting, faxing or emailing.
31. Addresses for Notice may be amended by written notice from one party to the other.

GENERAL

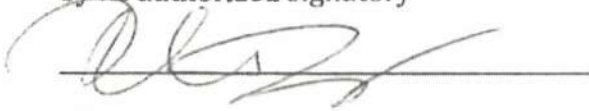
32. Time is of the essence in this Agreement.
33. If any provision of this Agreement, or the application therefore in any circumstances shall be held to be invalid or unenforceable, then the remaining provisions or the application thereof to other circumstances shall not be effected thereby and shall be held valid and enforceable to the full extent permitted by Law.
34. For the purposes of the interpretation and application of this Agreement and where required the singular number shall be deemed to include the plural.
35. This Agreement is governed by, and to be interpreted in light of, the laws of the Province of British Columbia.

IN WITNESS WHEREOF:

The parties have executed this Agreement on the 18th day of September, 2015.

MODO CO-OPERATIVE

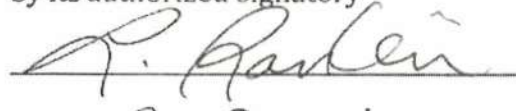
doing business as MODO The Car Co-op
by its authorized signatory



Pamela Haddley
Print Name

**FERNWOOD NEIGHBOURHOOD
RESOURCE GROUP SOCIETY**

by its authorized signatory



P. Rankin
Print Name

SCHEDULE A

RULES ATTACHING TO THE MEMBERSHIP SHARES IN THE MODO CO-OPERATIVE

1. The Developer, **Fernwood Neighbourhood Resource Group Society**, or its subsidiary or assignee, has entered into an Agreement with Modo Co-operative (MODO) whereby MODO has issued fifty shares for each of four partnership memberships and two business memberships for the benefit of the current Renter and Leaseholder of each Unit and Commercial Unit in the Development (the "Agreement").
2. The Developer is the legal owner of the shares. Renters and Leaseholders may enjoy the benefits of those shares subject to obtaining membership in MODO. Each Renter and Leaseholder is entitled to the benefit of the shares of the MODO without payment. If there is more than one Renter or Leaseholder of a Unit or Commercial Unit, the shares will be held jointly. For the purposes of these Rules and where required the singular number shall be deemed to include the plural.
3. Renters and Leaseholders may make use of vehicles provided by MODO pursuant to the Agreement, and pursuant to the Policies and Rules of membership in the MODO.
4. In order for a Renter or Leaseholder to make use of the Vehicles, the Renter or Leaseholder must apply to use them, such application including but not limited to the following:
 - a. The Renter or Leaseholder must provide written notice to the MODO of the name of the occupant that is to exercise the benefits of MODO membership;
 - b. The Renter or Leaseholder must provide contact information and any other information required by the MODO regarding the Renter or Leaseholder that would allow MODO to determine if the Renter or Leaseholder qualifies to exercise the rights and benefits of membership as provided herein and by the Rules and policies of the MODO.
5. The Developer will immediately inform the MODO in writing when a Renter or Leaseholder who applied to use a vehicle under Rule 4 above has ceased to be a Renter or Leaseholder.
6. Each Renter or Leaseholder eligible for a membership in the MODO may only exercise the rights and benefits of membership if the person would otherwise qualify and /or meet the requirements for those rights and benefits as they are from time to time.

7. If at any time a Renter or Leaseholder does not meet the criteria for the rights and benefits of membership, then the Renter or Leaseholder may not exercise any MODO membership rights and benefits until such time that the Renter or Leaseholder may again qualify for the rights and benefits of membership according to the rules for such membership as set out herein and in the Rules and policies of MODO.
8. Each member may exercise all rights and remedies available to shareholders of the MODO, including voting rights, subject to the Rules of the MODO.
9. Except as provided in these Rules herein, the benefits of MODO membership may only be exercised by the Renters or Leaseholders of the Development when they have an interest in the Development, and may not under any circumstances be assigned, transferred or sold by them except as provided herein.
10. Shares in the MODO attach to the rental Unit or Commercial Unit in the Development, and belong to the current Renter or Leaseholder of the Unit or Commercial Unit. Any transfer in the interests or rights in the Unit or Commercial Unit will also include, as a benefit of that transfer, a transfer of the benefit of those shares in the MODO to the new Renter or Leaseholder.
11. Upon termination of the term of a Rental Agreement or Lease, the Developer will forthwith notify MODO of the impending change in occupancy of the Unit or Commercial Unit, and notify MODO of:
 - (a) the proposed termination date; and
 - (b) the name(s) of any proposed occupant.
12. Unless otherwise advised, MODO will cancel the outgoing Renter's or Leaseholder's beneficial ownership in the Developer's share on the final date of occupancy, and issue a new share for the benefit of the new Renter or Leaseholder of the Unit or Commercial Unit.
13. No Renter or Leaseholder is entitled to compensation or a refund of share purchase price upon the transfer of any share or benefit as provided herein, and no Renter or Leaseholder may demand or otherwise require MODO to refund or redeem the share issued by MODO.
14. If these Rules are not attached to a Rental Agreement or Lease, then any benefits of membership in MODO are suspended indefinitely until such time as the Rules form part of the Rental Agreement or Lease.