

OPERATING LEASE AMENDMENT AGREEMENT

THIS OPERATING LEASE AMENDMENT AGREEMENT (this “**Agreement**”) dated for reference the 4th day of December, 2025, is

BETWEEN:

DISTRICT OF NORTH SAANICH, 1620 Mills Road, North Saanich, BC, V8L 5S9

(the “**District**”)

AND:

CIRCULAR FARM AND FOOD SOCIETY: VANCOUVER ISLAND (Inc. No. S0072157),
1810 Glamorgan Road, North Saanich, BC, V8L 5S9

(the “**Operator**”)

WHEREAS:

- A. By an operating lease agreement made as of the December 8th, 2020 (the “**Original Lease**”), between the District and the Operator, the District leased to the Operator the entirety of the Sandown Lands.
- B. Under the terms of the Original Lease, the Operator was granted a Term commencing on December 1, 2020 and terminating on December 31, 2030, subject to the terms and conditions set forth in the Original Lease.
- C. The District and the Operator wish to amend the Original Lease to, among other things, amend the Term and reduce the leased area to only a portion of the Sandown Lands, in accordance with the terms of this Agreement.
- D. The District and the Operator have agreed to amend the Original Lease as set forth in this Agreement.

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

1. The Original Lease is amended from and effective Commencement Date, as follows:

- a) Schedule A and Schedule B of the Original Lease shall be deleted in their entirety, and each replaced with the following:

[Intentionally Deleted].

- b) Other than the references to "Sandown Lands" in the definitions of "Leased Premises" and "Sandown Lands" in this Agreement, all references to "Sandown Lands" in the Original Lease shall be deleted and replaced with "Leased Premises".

- c) Section 1.1(d) of the Original Lease shall be deleted in its entirety and replaced with the following:

(d) "**Commencement Date**" means January 1, 2026;

- d) Section 1.1(o) of the Original Lease shall be deleted in its entirety and replaced with the following:

(d) "**Improvements**" means all fixtures, structures and other improvements that exist or are installed or constructed on the Leased Premises;

- e) Section 1.1(m) of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- f) Immediately following section 1.1(o), a new section 1.1(o.1) shall be inserted as follows:

(o.1) "**Leased Premises**" means those portions of the Sandown Lands as shown in Schedule A.

- g) Section 1.1(u) of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- h) Immediately following section 1.1(u), a new section 1.1(u.1) shall be inserted as follows:

(u.1) "**Regenerative Agriculture**" means a farming philosophy and set of practices which place soil and ecosystem health at the foundation. It is rooted in an understanding of the profound interconnected

relationship between all living things and requires long-term investment in soil and ecosystem health.

- i) Section 1.1(x) of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- j) Section 1.1(y) of the Original Lease shall be deleted in its entirety and replaced with the following:

(y) **"Sandown Lands"** means the property legally described as PID: 030-314-003 LOT A SECTION 14 RANGE 2 EAST NORTH SAANICH DISTRICT PLAN EPP77259;

- k) Section 1.1(aa) of the Original Lease shall be deleted in its entirety and replaced with the following:

(aa) **"Term"** means as defined in Section 3.1.

- l) Sections 1.4(c), 1.4(d), and 1.4(e) of the Original Lease shall be deleted in their entirety and each replaced with:

[Intentionally Deleted]

- m) Section 2.1 of the Original Lease shall be deleted in its entirety and replaced with the following:

In consideration of the rents, covenants and agreements contained in this Agreement on the part of the Operator to be paid, observed and performed, the District does hereby demise and lease unto the Operator and the Operator does hereby take and rent the Leased Premises, upon and subject to the terms of this Agreement.

- n) Immediately following section 2.1 of the Original Lease, a new section 2.2 shall be inserted as follows:

With respect to the half-acre plot identified in the map of the Leased Premises in Schedule A, the District, in coordination with the Operator, shall:

- (a) pay any reasonable relocation costs for any farming activities undertaken by the Operator in the lands 35 metres to the west of the Leased Premises; and

- (b) pay any costs reasonably incurred by the Operator that are directly necessitated by the establishment of the half acre plot identified in Appendix A (such as extension of water lines and provision of soil amendment).
- o) Section 3.1 of the Original Lease shall be deleted in its entirety and replaced with the following:

The Term shall commence on the Commencement Date and terminate on December 31, 2028 unless

- (a) terminated sooner:
 - (i) by the District in its absolute discretion for any reason on the District providing the Operator with at least 12 months' prior written notice;
 - (ii) pursuant to Part 20; or
 - (iii) by the mutual agreement of the parties; or
- (b) extended pursuant to Part 32.
- p) Sections 3.2 and 3.3 of the Original Lease shall be deleted in their entirety and replaced with the following:

[Intentionally Deleted].

- q) The heading at section 4 (and the corresponding heading in the table of contents) shall be deleted in its entirety and replaced with the following:

MINIMUM RENT.

- r) Section 4.3 of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- s) Section 7.1 of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- t) Section 8.3(s) of the Original Lease shall be deleted in its entirety and replaced with the following:

(s) not erect any signs at the Leased Premises without the prior written consent of the District Representative, acting reasonably, provided, however, the Operator may erect fixed signs that are less than 1.86m² (20.02ft²) on the Leased Premises if the Operator has given at least four weeks' written notice to the District Representative and all such fixed signs are compliant with the District's sign bylaw.

- u) Section 8.5(c) of the Original Lease shall be deleted in its entirety and replaced with the following:

only if requested by the District for any given year (in which case such shall be done at the District's sole cost), engage a chartered professional accountant to prepare and provide to the District by March 31st in each and every year during the Term, financial statements for the preceding year and an audited or reviewed statement of revenue for the preceding year for the Leased Premises, all prepared in accordance with ASNPO;

- v) Section 8.9 of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- w) Immediately following section 8.9 of the Original Lease, a new section 8.10 shall be inserted as follows:

For clarity, the Operator shall not be responsible for maintenance of any portions of the Sandown Lands that are outside of the boundaries of the Leased Premises, and the Operator acknowledges that the District intends to undertake operations (such as maintenance of the perimeter fence and invasive species management and lawn mowing in the meadow and forested areas outside of the Leased Premises boundaries) on portions of the Sandown Lands adjacent to the Leased Premises with the intent to prevent interference from portions of the Sandown Lands adjacent to the Leased Premises that could reasonably impact the Operator's operations on the Leased Premises.

- x) Immediately following section 8.10 of this Agreement, a new section 8.11 shall be inserted as follows:

The District agrees that, upon request from the Operator, the District Representative shall provide a letter to the Operator that indicates the District's general consent to the Operator applying for grants relevant to the

Services, including annual or multi-year infrastructure grants up to the amount of \$100,000 during the Term.

- y) Section 11.3 of the Original Lease shall be deleted in its entirety and replaced with the following:

Without fettering the absolute discretion of the District's municipal council, the District's municipal council may consider granting a permissive tax exemption for the Sandown Lands, a grant in aid or funding request submitted by the Operator at any time during the Term of this Agreement.

- a) Section 12.2(a) of the Original Lease shall be deleted in its entirety and replaced with the following:

the status of the Services and the Operator's success in achieving its objectives;

- b) Section 12.2(b) of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted];

- c) Section 14.2 of the Original Lease shall be deleted in its entirety and replaced with the following:

Subject to Section 3.2, the Operator agrees that any Improvements that are considered permanent on the Leased Premises at the end of the Term shall become the property of the District upon termination of this Agreement, free and clear of any claims by the Operator or anyone claiming on its behalf. The District shall bear no risk or liability for any such Improvements until the termination of this Agreement.

The District agrees that any improvements that are considered moveable improvements that were installed, constructed or placed by the Operator and/or its third party partners on the Leased Premises at the end of the Term shall remain the property of the Operator and/or the third party partners upon termination of this Agreement, free and clear of any claims by the District or anyone claiming on its behalf.

- d) On the basis that such conditions precedent were previously satisfied, section 30.1 of the Original Lease shall be deleted in its entirety and replaced with the following:

[Intentionally Deleted].

- e) Section 32.1 of the Original Lease shall be deleted in its entirety and replaced with the following:

If the Operator duly and punctually observes and performs the covenants, agreements, conditions, and provisos in this Agreement on the part of Operator to be observed and performed, the parties may renew this Agreement or enter into a new agreement on mutually acceptable terms for two additional consecutive three year terms, provided that the District shall retain absolute discretion with respect to any renewal or any new agreement or any matter related thereto.

- f) Immediately following section 32.1 of the Original Lease, a new section 32.2 shall be inserted as follows:

Notwithstanding the preceding section 32.1, if the parties wish to renew this Agreement in accordance with section 32.1, they must review and mutually make that determination no later than six months prior to the end of the Term.

- g) Schedule A of the Original Lease shall be deleted in its entirety and replaced with Schedule A attached hereto.
- h) Schedule B of the Original Lease shall be deleted in its entirety and replaced with Schedule B attached hereto.
- i) Schedule C, Schedule D, and Schedule E of the Original Lease shall be deleted in its entirety and each replaced with:

[Intentionally Deleted]

2. This Agreement is expressly made a part of the Original Lease to the same extent as if incorporated into the Original Lease, and the parties agree that all agreements, covenants, conditions, and provisos contained in the Original Lease, except as amended or altered in this Agreement, shall be and remain unaltered and in full force and effect. The District and the Operator acknowledge and agree to perform and observe, respectively, their obligations under the Original Lease as modified hereby. The District and the Operator hereby confirm and ratify the Original Lease.
3. Except as otherwise provided for in this Agreement, all terms capitalized in this Agreement shall have the same meaning as in the Original Lease.
4. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

5. Time is of the essence of this Agreement.

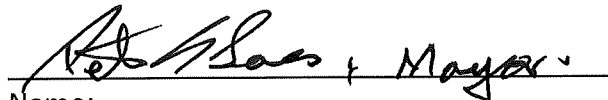
[Remainder of page left intentionally blank. Execution page to follow.]

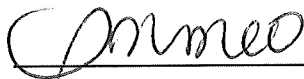
6. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

IN WITNESS WHEREOF the District and the Operator have executed this Agreement as of the day and year first above mentioned.

DISTRICT OF NORTH SAANICH

By its authorized signatories:


Name:


Name: Stephanie Munro, Chief Administrative Officer

CIRCULAR FARM AND FOOD SOCIETY: VANCOUVER ISLAND

By its authorized signatories:


Name: Ann Eastman, CFFS Chair


Name: Jennifer Curtis, CFFS Secretary

SCHEDULE A

MAPS OF LEASED PREMISES



SCHEDULE B

Description of Activities Undertaken by the Operator on the Sandown Site

The District and the Operator recognize the following shared values:

1. Protect and restore ecosystem integrity and natural habitat connectivity using best practice nature-based solutions;
2. Support the economic viability of agriculture, including small-scale farming and entrant farmers;
3. Increase local food production and improve land access for food producers;
4. Promote soil, water and farm ecology and health through green infrastructure and regenerative agriculture practices.

The Operator will provide programs designed to support the shared values outlined above, such as :

- 1. Regenerative Farmer Program** – Provides support for entrant farmers to build regenerative farming and business capabilities through access to resources, shared infrastructure, mentorship, and secure land tenure.
- 2. Community Gardens** – Provides access to irrigated community garden plots, supporting local food production in a collaborative environment that fosters community connection, knowledge sharing, and healthier, more sustainable lifestyles.
- 3. Community Engagement** – Working with partners to deliver training workshops, educational events and programs, and fundraising efforts that celebrate, educate and promote local food and agriculture.
- 4. Growing Young Farmers** – The Operator delivers this program under the terms of its intermediary agreement with the Growing Young Farmers Society, a charitable organization which promotes youth education.
- 5. Sandown Farm** – Development and operation of a 1-acre Sandown Farm to provides local food production onsite, hands-on training in Regenerative Agriculture, and secure ongoing revenue from food production.
- 6. Communications** – The Operator prioritizes public outreach and engagement in site activities through a communication strategy that includes an online presence (website, social media), onsite signage, community presentations and promotion at community events.