

LEASE AGREEMENT

This Lease Agreement is dated for reference April 2, 2012.

BETWEEN:

CRESTMARK DEVELOPMENTS LIMITED PARTNERSHIP, a Canadian corporation, whose address is Suite 900 - 1095 West Pender Street, Vancouver, BC V6E 2M6 Canada

("Crestmark")

AND:

SOLEFOOD FARM INC., #608 - 33 Water Street, Vancouver, BC Canada V6A 1R4

("SOLEfood")

WHEREAS:

- A. SOLEfood is engaged in the business of inner city urban farming;
- B. Crestmark is the registered owner of certain real property in Vancouver, British Columbia, Canada, known and described as:

PARCEL IDENTIFIER: 028-073-835

Lot 336 District Lots 4671 and 4678 Group 1 New Westminster district Plan BCP42676

PARCEL IDENTIFIER: 028-073-860

Lot 337 District Lots 2851 and 4578 Group 1 New Westminster District Plan BCP42676

PARCEL IDENTIFIER: 028-073-878

Lot 338 District Lots 2850 and 4678 Group 1 New Westminster District Plan BCP42676

PARCEL IDENTIFIER: 028-073-886

Lot 339 District Lots 4670 AND 4677 Group 1 New Westminster District Plan BCP42676

(collectively "Area 6C")

- C. Located within Area 6C is an area consisting of 75,600 square feet (7023 square meters), as shown in black hatching on the plan attached as Schedule A (the "Site");

- D. SOLEfood desires to lease from Crestmark the Site to operate an inner city urban farm growing organic food, and Crestmark desires to lease the Site to SOLEfood, all on terms and conditions as set forth herein (the "Agreement");

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, the parties agree as follows:

1. Site

- 1.1 Crestmark hereby demises and leases to SOLEfood, and SOLEfood leases from Crestmark, the Site, upon the terms and conditions hereinafter set forth.
- 1.2 SOLEfood acknowledges that it is satisfied with the physical condition of the Site, and accepts the Site on an 'as-is where-is" basis.

SOLEfood has not tested or investigated the Site with respect to the suitability of the soil or subsoil of the Site. SOLEfood acknowledges that the soil and groundwater of the Site is partly contaminated and is the subject of a soils remediation program being carried out by the Province of British Columbia, which will not be completed during the Term (as defined in Section 2 below). SOLEfood covenants with Crestmark that it will not use any part of the soil or subsoil for its farming operations, but will carry out its farming operations in self-contained structures on the Site with soil, water and other growing materials and nutrients being imported onto the Site and placed in the self-contained structures.

- 1.3 SOLEfood represents and warrants that the Permitted Use (as defined in section 3 below) does not require penetration or excavation of the soil or subsoil.
- 1.4 SOLEfood will not penetrate or excavate any part of the soil or subsoil without the express written consent of Crestmark, which consent may be unreasonably or arbitrarily withheld by Crestmark in its sole discretion.
- 1.5 SOLEfood will contact and obtain approval from the Province of British Columbia's Pacific Place Remediation Group ("PPRG") c/o Sandwell Inc., 700 1045 Howe Street, Vancouver BC V6Z 1A9 Attention Ken Rosenberg, 604-684-9311 prior to any soil or subsoil penetration, and only after having received the consent in subsection 1.4, and will follow the procedures outlined by PPRG for soil and subsoil penetration.
- 1.6 Notwithstanding anything to the contrary provided herein, SOLEfood will not bear or assume any liability or responsibility for any environmental impacts or damages caused by or traceable to any hazardous substances, toxic substances, pollutants, contaminants or hazardous waste materials (collectively "Pre-existing Hazardous Materials") and will have no obligation to undertake the defense of any claim or action, whether in existence now or brought in the future arising out of the existence of Pre-existing Hazardous Materials nor to undertake environmental response, remediation or clean-up relating to Pre-existing Hazardous Materials provided that SOLEfood complies with section 18 below.

2. Term

- 2.1 Subject to the terms and conditions of this Agreement, the Tenant will have and hold the Site for a period of three (3) years commencing April 12, 2012, to and including April 1, 2015 (the "Term"). Notwithstanding any other provision in this Agreement, either party may, for any reason whatsoever, unilaterally terminate this Agreement by giving six months' written notice of such termination to the other party.

3. Use of Site

- 3.1 The Site will be used and occupied by SOLEfood throughout the Term solely for the purposes of farming operations.

(the "Permitted Use").

In no event may the Site be used for the passage of any vehicles, save and except non-motorized bicycles, vehicles for materials collection and delivery, tractors, fork lifts and similar type equipment used in connection with the Permitted Use. In no event may the Site be used for the parking of any vehicles, save and except non-motorized bicycles.

- 3.2 SOLEfood will provide to Crestmark prior to the start of the Term, a site plan setting forth the location of SOLEfood's installations and equipment on the Site, which site plan will be attached as Schedule B.

4. Rent

- 4.1 Rent

In consideration of the rights granted to SOLEfood herein, SOLEfood will, on execution of this Lease, pay to Crestmark Ten Dollars (CAN\$10.00) as rent for the Term.

5. Insurance

- 5.1 SOLEfood will obtain and maintain during the Term, at its own expense, comprehensive general liability insurance in the amount of Eight Million Dollars (\$8,000,000.00) each occurrence covering bodily injury, death and property damage in connection with SOLEfood's operations on the Site.

- 5.2 In addition to the comprehensive general liability insurance required under section 5.1 above, SOLEfood will obtain and maintain Workers' Compensation insurance or its equivalent, for all SOLEfood's personnel, as required by law. SOLEfood will ensure that all of SOLEfood's contractors and subcontractors obtain and maintain the necessary Workers' Compensation insurance (or its equivalent) for work performed on the Site

- 5.3 In addition to the comprehensive general liability insurance required under section 5.1 above, SOLEfood will obtain and maintain insurance for licensed and

unlicensed automobiles and vehicles owned, leased or used by SOLEfood, or by its members, in association with the Permitted Use, covering liability for bodily injury, death and damage to property with a limit of not less than Two Million Dollars (\$2,000,000) umbrella coverage per accident. SOLEfood acknowledges that Crestmark will not be liable for any claims arising out of or in connection with any other vehicles which SOLEfood has allowed onto the Site.

- 5.4 Crestmark must be an additional insured in any insurance coverage required under sections 5.1 and 5.3 above, provided that any deductibles required by such policies will be paid by SOLEfood. SOLEfood will deliver a certificate for the insurance coverage to Crestmark, fifteen (15) days prior to the first day of the Term. Such certificate will stipulate that the insurance coverage under sections 5.1, 5.2 and 5.3 above will not be cancelled without at least thirty (30) days prior written notification to Crestmark.
- 5.5 Crestmark and SOLEfood will cause their insurance carriers to waive all rights of subrogation against the other party and notwithstanding anything herein to the contrary, this waiver will not apply to any right of recovery, claim action or cause of action resulting from or arising out of the gross negligence or sole negligence of either party or their respective agent or employees.
- 5.6 SOLEfood will not enter onto, use or occupy the Site until all insurance required under this section 5 is in place.

6. Utilities

- 6.1 Crestmark has not provided SOLEfood with a plan of all underground utilities on the Site. SOLEfood will be responsible for contacting the City of Vancouver and other relevant utility companies to acquire a plan of the underground utilities on the Site (the "Utilities Plan"). SOLEfood will rely on the Utilities Plan for any authorized drilling of holes in the ground of the Site for the setting-up of installations or its equipment. SOLEfood will be responsible for all damages arising from the striking by SOLEfood of any utilities which are not located as indicated on the Utilities Plan.

7. Improvements, Public Services and Other Services

- 7.1 SOLEfood will be solely responsible, at its sole cost and expense, for obtaining permits, hook-up and disconnection of its installations and equipment to any and all utilities, including water, used by SOLEfood for the Site. SOLEfood will pay for water and electrical consumption, sewage charges and telecommunications services for the Site during the Term.
- 7.2 SOLEfood will be entitled to make, at its own cost and expense, all improvements and modifications to the Site which may be reasonably required from time to time in connection with the Permitted Use subject to obtaining prior approval from Crestmark, which approval will not be unreasonably withheld or delayed.

8. Permits

8.1 SOLEfood will obtain and maintain, at its own cost and expense, all necessary permits, licenses and approvals required for the Permitted Use during the Term. Crestmark will cooperate with SOLEfood in doing so.

9. Peaceable Enjoyment

9.1 Crestmark agrees that SOLEfood, upon paying the Rent and observing and performing all the obligations herein contained, may peacefully and quietly enjoy the Site during the Term.

10. Compliance

10.1 SOLEfood, in the performance of its activities hereunder, will comply with all laws, ordinances, rules and regulations having jurisdiction over the Site.

11. Liens

11.1 SOLEfood acknowledges and agrees that SOLEfood has no authority to, and that SOLEfood will not, cause or permit any lien or encumbrance of any kind to attach to the Site.

11.2 Should Crestmark create, cause or permit any lien or encumbrance of any kind to attach to the Site, Crestmark will obtain a commitment from the beneficiary of such lien, in a form acceptable to SOLEfood, not to exercise any of its rights on SOLEfood's installations and equipment.

12. Crestmark Access to the Site

12.1 Crestmark will have the right to enter upon the Site at all reasonable times upon reasonable notice.

13. Signs

13.1 All signage, advertising and displays proposed for the Site must be approved in writing by Crestmark, which approval will not be unreasonably withheld or delayed.

14. Termination

14.1 **Termination by Crestmark** - In addition to its other rights at law, in equity or otherwise, and subject always to Crestmark's termination right in section 2.1, Crestmark will be entitled to terminate this Agreement without further notice or legal process whatsoever, in which case SOLEfood will forthwith vacate the Site upon the occurrence of any of the following events:

- (a) the failure by SOLEfood to comply with or perform any term, condition, or covenant in this Agreement and to cure such default within seven (7) days

after Crestmark gives SOLEfood written notice of such default (or if any such default would reasonably require more than seven (7) days to cure, unless SOLEfood commences rectification of the default within the seven (7) day notice period and thereafter promptly, effectively, and continuously proceeds with the rectification of the default to completion of rectification);

- (b) any representation made or warranty given by SOLEfood hereunder will prove to be untrue in any material respect;
- (c) the appointment of a receiver, receiver-manager, trustee, liquidator or custodian duly appointed to administer all or a substantial part of the business of SOLEfood, which appointment is not vacated within thirty (30) days; or
- (d) the making by SOLEfood of a general assignment or attempted assignment for the benefit of creditors which has not been withdrawn within thirty (30) days of its filing or the filing by SOLEfood of a voluntary petition of bankruptcy or is petitioned into bankruptcy and such petition has not been dismissed, stayed or withdrawn within thirty (30) days of its filing.

14.2 Termination by SOLEfood - In addition to its other rights at law, in equity or otherwise, SOLEfood will be entitled to terminate this Agreement without further notice or legal process whatsoever upon the occurrence of any of the following events:

- (a) the failure by Crestmark to comply with or perform any term, condition or covenant in this Agreement and to cure such default within seven (7) days after SOLEfood gives Crestmark written notice of such default (or if any such default would reasonably require more than seven (7) days to cure, unless Crestmark commences rectification of the default within the seven (7) day notice period and thereafter promptly, effectively, and continuously proceeds with the rectification of the default to completion of rectification);
- (b) any representation made or warranty given by Crestmark hereunder will prove to be untrue in any material respect;
- (c) the appointment of a receiver, receiver-manager, trustee, liquidator or custodian duly appointed to administer all or a substantial part of the business of Crestmark, which appointment is not vacated within thirty (30) days; or
- (d) the making by Crestmark of a general assignment or attempted assignment for the benefit of creditors which has not been withdrawn within thirty (30) days of its filing or the filing by Crestmark of a voluntary petition of bankruptcy or is petitioned into bankruptcy and such petition has not been dismissed, stayed or withdrawn within thirty (30) days of its filing.

15. Indemnity

- 15.1 SOLEfood will indemnify and hold harmless Crestmark, its affiliates and respective directors, officers and employees from and against any and all claims, suits, expenses, damages or other liabilities, including reasonable legal fees, arising out of, or related to the breach by SOLEfood of any representations or warranties made by SOLEfood in this Agreement and any personal injury or property damages arising out of or in connection with SOLEfood's use of the Site except to the extent that the cause is ascribable to any gross negligence or willful act or omission by Crestmark, its employees or agents.
- 15.2 Crestmark will indemnify and hold harmless SOLEfood, its affiliates and their respective directors, officers and employees from any and all claims, suits, expenses, damages or other liabilities, including reasonable legal fees, arising out of the breach by the Crestmark of any of the representations or warranties made by the Crestmark in this Agreement.
- 15.3 If Crestmark is made a party to any litigation commenced by or against SOLEfood as a result of the permitted use of the Site, then SOLEfood will protect, indemnify and hold Crestmark harmless and will pay, in addition to the Rent, upon demand, all costs, expenses and legal fees (on a solicitor-client basis) which may be incurred or paid by Crestmark in respect of the litigation, save and except if such litigation is related to Crestmark's operation of the Site.

16. Survival of Indemnities

- 16.1 The indemnities contained in this Agreement will survive the termination or expiry of this Agreement, despite anything in this Agreement to the contrary.

17. Risk and Responsibility

- 17.1 SOLEfood will assume all legal and financial risk and responsibility for their activities on the Site and for the activities of all those who are associated with SOLEfood in any way, either directly or indirectly, including SOLEfood's guests, members, invitees, contractors, subcontractors, suppliers, sponsors, participants and members of the public on the Site.
- 17.2 Crestmark will not, by virtue of SOLEfood's use and occupation of the Site, be liable or responsible in any way for any personal injury which may be sustained by SOLEfood or by any licensee, guest or invitee of SOLEfood, or by any other person who may be upon the Site, or for any loss of or damage or injury to property belonging to or in the possession of SOLEfood or a licensee, guest or invitee of SOLEfood, or any other person, unless the same was caused in whole or in part by Crestmark or any of its employees, agents, invitees, contractors, subcontractors or suppliers.
- 17.3 SOLEfood will protect the Site and Crestmark's guests, invitees, licensees, consultants and contractors from damage arising out of, or in connection with

SOLEfood's use of the Site caused directly or indirectly by SOLEfood or any of its guests, licensees, invitees, contractors, subcontractors, suppliers and members of the public on the Site. SOLEfood will promptly make good any such damage at no cost, expense or inconvenience to Crestmark.

18. Return of Site

18.1 At the end of the Term or upon earlier termination of this Agreement, SOLEfood will remove from the Site all installations, equipment and other personal property placed by it on the Site and return the Site to Crestmark in the same condition in which it was when SOLEfood first entered the Site, except for normal wear and tear and any destruction of the Site occasioned by an event of force majeure (as defined in section 22 below). On the last day of the Term, a duly authorized representative of each of Crestmark and SOLEfood will together inspect the Site to evaluate the state of the Site. After that inspection, both representatives will establish in writing any repair to be done by SOLEfood, the time schedule to perform that work and the inspection date of such work. If Crestmark is satisfied with the return condition of the Site, Crestmark agrees to sign the release form attached as Schedule C.

19. Subleasing and Assignment

19.1 SOLEfood will have no right to assign, transfer or otherwise dispose of its rights hereunder or to sublease or license the Site or any portions thereof.

20. Confidentiality

20.1 Each of the parties will keep any information relating to the business, operations, affairs, trade secrets or technology of the other party strictly confidential and not disclose that confidential information without the prior written consent of the other party. This section 20 will survive termination or expiration of this Agreement. Neither Crestmark nor SOLEfood will make any formal public announcement, promotional communication or press release relating to the negotiations between the parties or this Agreement without the prior written consent of the other party regarding the form and content of that disclosure.

20.2 SOLEfood will keep strictly confidential and will not disclose any information regarding Crestmark's development plans for the Site (unless that information and plans are already publicly available) to any person not expressly authorized by Crestmark to receive that information and plans. Crestmark will not unreasonably withhold that authorization if SOLEfood requests authorization to disclose that information for the purpose of obtaining any consent, licence, permit or approval necessary for SOLEfood's use of the Site during the Term.

21. Notices

21.1 All notices, demands, consents, requests or waivers required or permitted to be given or made hereunder will be in writing and will be delivered by hand; mailed by prepaid registered mail; or sent by fax, addressed:

if to Crestmark, as follows:

CRESTMARK DEVELOPMENTS LIMITED PARTNERSHIP
C/O CONCORD PACIFIC GROUP INC.
Suite 900 1095 West Pender Street
Vancouver, BC V6E 2M6
Attention: Renee St. Germaine

Telephone: 604-899-7209

Fax: 604-899-8000

if to SOLEfood, as follows:

#608 - 33 Water Street
Vancouver, BC V6A 1R4

Attention: Sean Dory

Telephone: 778-228-0566

Fax: 604-569-3586

Any notice, demand, consent, request or waiver, if delivered, will be deemed to have been given on the date of delivery; if mailed, on the third (3rd) business day following the date of mailing; and if sent by fax, on the first (1st) business day following the day of delivery by fax. Either party may change its address, fax number or the name of the person indicated as the recipient by notice to the other in the manner aforesaid. In the event of interruption or threatened interruption in postal service, notice will be delivered or sent by fax.

22. Force Majeure

- 22.1 If the Site, or any portion thereof, is destroyed or damaged prior to the commencement of the Term by fire or other calamity so as to prevent the use of the Site for the Permitted Use, or if the Site cannot, at the commencement of the Term, be used for the Permitted Use due to strikes (other than strikes of SOLEfood's employees), acts of God, national emergency, or other events beyond the control of either of the parties then either party may terminate this Agreement by written notice to the other at no charge or liability to either party.

23. Miscellaneous

- 23.1 **Governing Law and Severability** - This Agreement will be construed by and governed in accordance with the laws applicable in British Columbia, Canada. If for any reason whatsoever any term, obligation or condition of this Agreement or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable or illegal, then that term, obligation or condition will be

deemed severable and divisible from the remainder of this Agreement. Its invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of this Agreement or any part, and that term, obligation or condition will continue to be applicable to and enforceable against any other person or circumstance other than those to which it has been held or rendered invalid, unenforceable or illegal.

- 23.2 **Waiver** - No waiver, whether written, oral or tacit, of any remedy or provision of this Agreement will be deemed to constitute a waiver of any other provision or a permanent waiver of the provision concerned, unless otherwise stated in writing by the party to be bound thereby.
- 23.3 **Extended Meanings** - Words importing the singular number only will include the plural and vice versa, and words importing the masculine gender will include the feminine gender, and words importing persons will include firms and corporations. The descriptive headings are included only for the convenience of the parties and will not be deemed to form part of this Agreement.
- 23.4 **Independent Contractors** - Notwithstanding any provisions of this Agreement, nothing in this Agreement will be construed as creating the relationship of principal and agent or of partnership or of joint venture or as creating any other relationship between Crestmark and SOLEfood other than that of landlord and tenant.
- 23.5 **Entire Agreement** - This Agreement and the Schedules set forth the entire agreement and understanding between the parties concerning the lease of the Site. No subsequent amendment to this Agreement will be binding upon Crestmark or SOLEfood unless in writing, duly signed by SOLEfood and Crestmark.
- 23.6 **Accessory agreement and documents** - Each of the parties will, at the request of the other, execute all such agreements, instruments and documents as may be necessary to give effect to this Agreement or to facilitate its application and execution.
- 23.7 **Counterparts and Electronic Transmission** - This Agreement may be executed in one or more counterparts and delivered by facsimile or other electronic transmission, each of which will be deemed an original, and those counterparts together will constitute one and the same instrument.


23.8 **Successors and Assigns** - All rights and liabilities granted to or imposed upon the respective parties extend to and bind the successors and assigns of Crestmark and the successors and permitted assigns of SOLEfood, as the case may be.

IN WITNESS WHEREOF, this Agreement has been executed on the ____ day of March, 2012.

CRESTMARK DEVELOPMENTS LIMITED
PARTNERSHIP

SOLEFOOD FARM INC.

By:



Matt Meehan
Authorized Signatory

By:

SCHEDULE A

MAP OF SITE



SCHEDULE B

SITE PLAN

(see attached document)

SCHEDULE C

RELEASE

I, the undersigned, a duly authorized representative of Crestmark, acknowledge having inspected the Site leased to SOLEfood according to the lease agreement between the Crestmark and SOLEfood dated _____ (the "Agreement") and declare that the Site has been returned to the Crestmark by SOLEfood in a satisfactory condition in accordance with the Agreement. Therefore, Crestmark hereby waives all claims it may have against SOLEfood in respect to the return condition of the Site.

SIGNED this _____ day of _____, 2015.

CRESTMARK DEVELOPMENTS LIMITED PARTNERSHIP

By:

(Print name)