

Appendix "C"
Letter of Intent

~~CONFIDENTIAL~~
Letter of Intent

Released
in
Public

February 6, 2015

Frank Porrone, President,
G.I. Farms Inc.,
2980 South Talbot Road,
Cottam, ON, Canada
N0R 1B0

This letter is intended to set out the basic business terms upon which the undersigned, and The Corporation of the City of London (the "Landlord", or the "City") and G.I. Farms Inc. (the "Tenant"), will proceed with the negotiation of a lease of the Lands (the "Lands" as hereinafter defined) to allow the construction of a greenhouse (the "Improvements") proposed to be developed on the Lands by the Tenant.

Whereas the City received a letter of interest from G.I. Farms Inc. to lease 50 acres of land near the W12A landfill for the purpose of constructing a technologically advanced greenhouse operation under 40 acres of cover to grow mini and English cucumbers; and

Whereas G.I Farms Inc has indicated interest in leasing 70 acres of city owned land located 3243 Manning Drive, London , Ontario to accommodate the proposed 40 acre greenhouse development including storm water facility and septic systems ; and

Whereas Municipal Council of the City considers the attraction of new agri-industry a significant factor toward advancing the economic prosperity of the City; and

Whereas the City has acquired lands surrounding the W12A landfill that are not identified for potential use as landfill or related resource recovery operations and are considered buffer lands to the nearby W12A landfill; and

Whereas City staff, over previous years, have received enquiries regarding the use of City-owned buffer lands proximate to the landfill for projects including greenhouses; and

Whereas the City's long term plans for buffer lands are to allow the lands to continue to serve as buffer to the landfill and resource recovery area, to be compatible with neighboring land uses and community, and to maximize economic benefits to the City; and

Whereas the City, not having an identified municipal need for the lands itself, wishes to maximize the economic benefits of these lands and co-operate with G.I. Farms Inc. and facilitate their rental of the lands for the identified purpose; and

Whereas the G.I. Farms Inc. wishes to lease the Lands (as hereinafter defined) to construct and operate a 40 acre footprint greenhouse facility to grow cucumbers and

peppers, and Council has directed staff to negotiate with G.I. Farms Inc. through a sole-source arrangement a long term lease of these lands.

NOW THEREFORE this Letter of Intent sets out the principal terms upon which G.I. FARMS INC. is prepared to negotiate the lease of the Lands from the City, and does not represent terms that are binding at this time upon either of the parties, other than section 15. Such principal lease terms are subject to the execution and delivery by the parties of a definitive lease agreement (the "Lease").

The entering into of negotiations and the execution of a Lease are subject to the completion of the Zoning Bylaw amendment for variances of regulations to lot area, building coverage, front yard setback, etc., failing which this Letter of Intent shall terminate.

1.0 Nature of this Letter of Intent

This Letter of Intent is not intended to be or create a binding agreement or a complete statement of the terms and conditions to be negotiated in the lease, nor is it intended to be or create any legally enforceable obligations of the parties, except as stated under Section 15.0. Section 15.0 of this Letter of Intent with provisions shall be legally binding upon the execution of this Letter of Intent by the parties. The binding terms of section 15.0 below are enforceable against the parties regardless of whether a definitive lease agreement is executed or the reasons for non-execution.

2.0 Lands

The Lands shall contain an area of approximately 70 acres and be in the location as shown outlined or cross-hatched on Schedule "A". G.I. Farms Inc. accepts the lands on an "as is" basis.

3.0 Term and Renewal

The term shall be 20 (twenty) years (the "Term") to be computed from the Commencement Date (as hereinafter defined). Provided that if the Tenant at the end of the Term is not then in default in any material respect under the Lease, the Tenant shall have the option to renew the lease for a renewal term of an additional period of twenty (20) years. Any such renewal must be on written notice to the Landlord given not less than six (6) months prior to the expiry of the then current term, and shall be upon the same terms and conditions as the initial Term, except for Base Rent, this renewal clause and the Landlord's work. Base Rent for each renewal term shall be subject to negotiation by the parties on the basis to be provided for in the Lease.

4.0 Construction of Initial Improvements

(1) It is the intention of the parties hereto that the Tenant is to erect the Initial Greenhouse Improvements as shown on Schedule "B" entirely within the boundary of the Lands. The City and Tenant agree that the Lands shall support a complete project and shall not be part of or connected with a larger project or development on lands not forming part of the Lands. The Tenant shall construct and complete the Initial Improvements expeditiously and in good and workmanlike manner and in accordance with the Initial Plans.

(2) Prior to commencing construction the Tenant shall deposit with the Landlord a cash deposit in the amount of \$50,000. Deposit to be returned to the Tenant at the end of the Construction Period or retained by the Landlord as compensation for disturbance to the Land.

(3) During the Construction Period the Tenant shall not be responsible for the payment of Base Rent, taxes or operating costs but shall be responsible for all utilities used or consumed in the Premises.

5.0 Commencement Date

(1) The Commencement Date shall be the earlier of:

- (a) March 1, 2016; or
- (b) the day following the end of the Construction Period;

6.0 Base Rent

The Tenant shall pay to the Landlord Base Rent ("Base Rent") for the Lands payable in equal, consecutive annual instalments in advance on or before the first day of each year, without any prior demand therefor and without any deduction, abatement or set-off as follows:

Rental Period	Rent per Annum
Years 1 to 5	\$38,500.00
Years 6 to 10	\$40,500.00
Years 11 to 20	To be negotiated.

Base Rent for such ten (10) year period shall also be paid by the Tenant to the Landlord annually on the Commencement date and thereafter on the anniversary date of the Commencement date of each Lease Year during the Term. The Base Rent for each ten (10) year period shall reflect a fair market return on the lands based on applying a market supported rate of return to the "fair market value" of the underlying lands in their highest and best use without taking into account any improvements thereon, including the Buildings and assuming the lands are not encumbered by the lease, as agreed to by the Landlord and the Tenant.

7.0 Additional Rent

(1) The Lease and the rent payable thereunder are to be completely net and carefree to the Landlord and the Landlord is not responsible for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the use and occupancy of the Lands or the contents thereof or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Lands and the use and occupancy thereof.

(2) In addition to the Base Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the Lands and Improvements:

- (a) all Realty Taxes levied, rated, charged or assessed on or in relation to the Lands;
- (b) all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Lands, unless separately metered; and
- (c) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.

(3) All of the payments set out in this Letter (other than Rental Taxes) shall constitute Base Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Base Rent.

8.0 Tenant to Construct Initial Improvements

It is the intention of the parties hereto that the Tenant is to erect the Initial Improvements on the Lands at a total cost of approximately \$40 million dollars. The Landlord and Tenant agree that the Lands shall support a complete project and shall not be part of or connected with a larger project or development on lands not forming part of the Lands. The Tenant shall construct and complete the Initial Improvements expeditiously and in good and workmanlike manner.

8.1 Commencement of Construction of Initial Improvements

Before commencing excavation or any work on the Lands for the construction of the Initial Improvements, the Tenant shall have:

- (a) furnished proof of the insurance required by Section 8.3;
- (b) obtained the approval of the Landlord to and shall have entered into a construction contract for that part of the construction which is to be commenced; and
- (c) obtained from the contractor the indemnity, insurance and performance bonds required by the contract.

8.2 Duties of Tenant in Construction

The Tenant shall perform and comply with the following covenants and requirements in the construction of the Initial Improvements:

- (a) the Initial Improvements shall be constructed in all respects in accordance with the approved Plans, subject to such changes as may be required by governmental

authorities or otherwise as approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed;

(b) all necessary building permits shall be obtained and all municipal by laws and legal requirements pertaining to the conduct of the work shall be complied with;

(c) the construction work shall be conducted expeditiously in a good and workmanlike manner and otherwise in accordance with the provisions of this Lease;

(d) any contractor engaged on the work shall be required to observe all provisions of its contract and to furnish and maintain all security, indemnity, insurance and performance bonds required by the contract;

(e) the Landlord and its agents and engineers shall at all times have the right to inspect the work and to protest to the Tenant any default or non-compliance with the approved plans, municipal by-laws, provincial regulations or this Lease;

(f) the Tenant covenants and agrees to deliver to the Landlord, from time to time as available, copies of the following in respect of the Initial Improvements:

(i) soil tests;

(ii) development plans and drawings;

(iii) consultants' reports;

(iv) all other documents or information pertaining to the development of the Initial Improvements in the possession or control of the Tenant; and

(v) the Tenant shall promptly pay when due all proper accounts for work done or materials furnished under all contracts which it has entered into relating to the construction of the Initial Improvements.

8.3 Fire and Liability Insurance During Construction

The Tenant shall obtain or shall cause its contractor or contractors to obtain prior to the commencement of construction of the Initial Improvements, and shall maintain and keep in force until the insurance required under Article 9.1 has been obtained, insurance naming the Landlord and the Tenant as insured.

8.4 Ownership of Improvements and Fixtures

(1) The Landlord and the Tenant agree that the Improvements are intended to be the absolute property of the Tenant upon the expiration or termination of the Lease, and shall be deemed, as between the Landlord and the Tenant during the Construction Period and the Term, to be the separate property of the Tenant and not of the Landlord, but subject to and governed by all the provisions of this Lease applicable thereto. The Landlord's absolute right of property in the Improvements which will arise upon the termination of this Lease shall take priority over any other interest in the Improvements which may now or hereafter be created by the Tenant, provided that all dealings by the Tenant with the Improvements which in any way affect title thereto shall be made expressly subject to this right of the Landlord, and the Tenant shall not assign, encumber or otherwise deal with the Improvements separately from any permitted

dealing with the leasehold interest under this Lease, to the intent that no person who does not at the same time hold a like interest in the Improvements shall hold or enjoy any interest in this Lease acquired from the Tenant.

(2) The Tenant agrees to restore the Lands at the Tenant's sole expense at the end of the term to the satisfaction of the City, and in the event such restoration is not made, the City may do so at the expense of the Tenant and recover the expense by any legal means available.

8.6 Maintenance and Repair of Lands and Improvements

The Tenant shall, at its own cost and expense, during the entire Term, keep in good order and condition the Lands and Improvements, and the appurtenances and equipment thereof, both inside and outside, including, but not limited to, machinery and equipment used or required in the operation thereof, subject to reasonable wear and tear. Such repairs shall be completed in a good and workmanlike manner and in all respects consistent in quality and workmanship appropriate for a similar project in the vicinity, and shall meet the requirements of municipal or governmental regulations and the fire insurance underwriters.

8.7 Inspection by Landlord

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Lands and Improvements at any time during normal business hours, on reasonable prior notice, for the purpose of inspecting the Lands and Improvements. The Landlord shall take reasonable precautions and attempt to schedule such inspections so as not to unreasonably interfere with the operation of any subtenant's business and to minimize interference with the Tenant's use and enjoyment of the Lands and Improvements.

8.8 Major Repairs or Replacements

(1) The Tenant shall not make any repairs, additions, alterations, replacements or improvements ("Changes") to or of any part of the Improvements or any other portions of the Lands where the Changes materially affect the appearance or character of the exterior of the Improvements or to other exterior portions of the Lands, without first obtaining the Landlord's written approval, which shall not be unreasonably withheld.

(2) The Changes shall be constructed by the Tenant, without cost to the Landlord, in a good and workmanlike manner, using first-class materials.

8.9 Location Next to City-owned Operating Landfill Site

The Tenant recognizes that the greenhouse operation is next to an operating landfill site and therefore may experience occasional nuisance impacts related to the operation of the landfill site including but not limited to odours, dust, noise, etc.

9.0 Tenant's Indemnity

Throughout the Construction Period and the Term, the Tenant covenants and agrees to indemnify and save harmless the Landlord against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever arising from injury to property or injury to any person, firm, partnership or corporation, caused by the use, occupancy or presence of the Tenant or any other person, firm, partnership or corporation at, in, on or upon the Lands or Improvements.

9.1 Tenant's Insurance

(1) During the Term the Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) fire and extended perils under a standard extended form of fire insurance policy, in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar project;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Lands in an amount not less than \$5,000,000 ;
- (c) broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to any boilers and machinery upon the Lands or relating to or serving the Lands, and such insurance shall add the Landlord as an additional insured; and
- (d) any other form of insurance with whatever limits the Tenant, the Landlord, acting as a prudent owner, or any Mortgagee reasonably requires from time to time, in such form and amounts and for risks against which a prudent tenant under similar circumstances would insure.

(2) If the Tenant fails to obtain the policies of insurance required hereunder, the Landlord may itself, after not less than twenty-four (24) hours' notice to the Tenant, obtain such policies.

9.2 Evidence of Insurance

The Tenant shall furnish the Landlord with certificates or other acceptable evidence of all required insurance promptly upon request. All proceeds of any insurance shall first be used by the Tenant for the costs of repairing, reconstructing or replacing, as the case may be, the damaged or destroyed portions of the Improvements to the standard set out herein, except as otherwise provided for in this Lease.

10.0 Assignment by Tenant

The Tenant shall not assign this Lease or sublet all or substantially all of the Lands without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be an assignment.

10.1 Use, Name

The Tenant shall occupy the Lands throughout the Term and the Premises shall be continuously, actively and diligently operated, fully fixtured, and staffed solely for the purpose of conducting the principal business of growing greenhouse vegetables under the name of G.I. Farms Inc. and for no other purposes whatsoever.

11.0 Tenant Financing

(1) The Tenant may, from time to time during the Construction Period and the Term, without the consent of the Landlord, make one or more Leasehold Mortgages, provided such Leasehold Mortgage is by way of a sublease or assignment to an institution commonly known to hold mortgages upon the security of leases or real property.

(2) No Leasehold Mortgage shall be made by the Tenant unless the Leasehold Mortgagee shall covenant with the Landlord:

(a) to be bound by all the covenants and obligations of the Tenant hereunder as soon as such mortgagee or encumbrancer enters into possession of the Tenant's interest or otherwise takes steps to enforce its security which have the effect of depriving the Tenant of the ability to perform fully those covenants and obligations, and such covenant shall continue to bind such mortgagee or encumbrancer so long as the Leasehold Mortgagee continues in possession or continues to enforce its security with the effect as aforesaid; and

(b) to obtain, upon any exercise of any power of sale, a covenant from the assignee in favour of the Landlord to perform all of the Tenant's obligations under this Lease, but as soon as the assignee becomes bound by the Tenant's obligations, the Leasehold Mortgagee shall be relieved from its covenant.

(3) Notwithstanding the execution of the Lease, the Landlord agrees that, in the event that any Leasehold Mortgagee reasonably requires any change in any of the terms, covenants and provisions of the Lease, the Landlord shall execute and deliver such written modifications of the Lease in order to comply with the requirements of any such Leasehold Mortgagee, provided that there is no reduction in Rent or other

payments to be made under the Lease, no variation in the Term, and such changes do not place material burdens upon the Landlord or do not involve material or major alterations in the covenants and agreements contained in the Lease which materially and adversely affect the Landlord or relieve the Tenant of any material obligation or duty previously imposed upon it in the Lease.

12.0 **Default**

The following events shall constitute "**Events of Default**":

- (a) default by the Tenant in the payment of any instalment of Base Rent or Additional Rent, and such default continuing for thirty (30) days after the Landlord shall have given the Tenant written notice of such default by personal delivery or prepaid registered post; or
- (b) failure by the Tenant to keep, perform or observe any of the covenants, agreements, provisions, conditions or provisos contained in this Lease on the part of the Tenant to be kept, performed or observed and such failure shall have continued or shall not have been remedied within the period of forty-five (45) days next after the Landlord shall have given to the Tenant written notice of such default by personal delivery or prepaid registered post; provided, however, that if the condition complained of reasonably requires more time to cure than the said forty-five (45) day period, the Tenant shall be deemed to have complied with the remedying thereof if the Tenant shall have commenced remedying or curing the same forthwith upon receipt of such written notice from the Landlord and diligently thereafter completes the same; or
- (c) if the Project shall be abandoned; or
- (d) the Tenant making any assignment for the benefit of creditors generally or any bulk sale (except pursuant to a permitted assignment) or making an assignment in bankruptcy, or having a receiving order made against it which is not lifted within forty-five (45) days or such longer period as may be required provided the Tenant diligently commences to have same lifted, or taking the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors, or making a proposal; or
- (e) any order being made for the winding-up of the Tenant or the Tenant's taking any steps or proceedings to surrender its charter; or
- (f) the Tenant permits any construction lien or claim for lien to be registered against the lands.

12.01

Remedies Upon Default

- (a) The remedies of the Landlord for an Event of Default are cumulative and may be implemented independently or in conjunction with one another. Such remedies are in addition to any remedies of the Landlord at law or in equity. Such remedies include:
- (i) injunctive relief, including mandatory injunctive relief;
 - (ii) damages, including without limitation to all expenses and costs including legal fees on a full indemnity basis incurred by the Landlord as a result of any breach by the Tenant;
 - (iii) termination of this Lease by notice, re-entry, Court order or judicial proceeding, or any other means whereby this Lease may be terminated, or any remedy analogous to termination of this Lease;
 - (iv) re-entry into possession without termination of this Lease; and
 - (v) curing of defaults of the Tenant by Landlord retaining a third party or by Landlord's own efforts, the cost of which, including all reasonable professional service fees, shall be payable by the Tenant and shall bear interest at 3% over the Prime Rate per annum on the amount outstanding until paid.
- (b) The Landlord may, at its sole option, have the right to re-enter and take possession of the Project after the Landlord has given written notice of such intention and the Tenant has been given the opportunity to cure such default in accordance with the time limits hereinbefore set out.
- (c) In the event the Landlord elects to re-enter or take possession of the Project without terminating this Lease, the Landlord shall have the option to have any sub-lease assigned to it or its designate.

In addition, the Landlord may from time to time make such alterations and repairs as may be necessary in order to re-let the Project, or any part thereof, for such term or terms (which may be for a term extending beyond the Term) and at such rental or rentals and upon such other terms and conditions as the Landlord, in its sole discretion, may deem advisable.

12.02 **Conditions to Exercising Remedies**

- (a) The Landlord may exercise its remedies only after the Landlord shall have given to the Tenant, in accordance with Section 12.01, at least fifteen (15) days' written notice of default in payments of Base Rent or Additional Rent and at least thirty (30) days' notice (or such longer period as provided in section 12.01) of other Events of Default, in each case specifying full particulars of the Event of Default.
- (b) Notwithstanding Section 12.04, the Landlord in the event of an Emergency, may, but shall not be required to, take such steps as the Landlord considers necessary to enter the Project and remedy the Event of Default giving rise to the Emergency, all at the expense (including reasonable legal fees) of the Tenant.

12.03 **Right to Cure Default**

Notwithstanding any rule of law or equity to the contrary, the Tenant shall be entitled to written notice from the Landlord and be entitled to cure any default of any kind or nature whatsoever as referred to elsewhere herein. In particular, without restricting the generality of the foregoing, if the Tenant commits any breach of this Lease by making an assignment or a sublease, mortgage or other similar transaction not permitted by the terms hereof, then the Tenant shall be considered to have cured such default if it shall procure, within thirty (30) days of receiving notice of the breach from the Landlord, a reconveyance, reassignment, release, surrender, discharge, cessation, or other appropriate instrument, or judicial declaration, whereby any rights granted or created in breach of this Lease shall cease to exist.

12.04 **No Waiver**

No condoning, excusing or overlooking by the Landlord or the Tenant of any default, breach or non-observance by the Tenant or by the Landlord at any time in respect of any covenant or provision in this Lease shall operate as a waiver of the Landlord's or the Tenant's rights as the case may be in respect of any continuing or subsequent default, breach or non-observance or so as to defeat or affect in any way the rights of the Landlord or the Tenant in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant except only an express waiver in writing.

13.0 **Termination**

The Landlord and the Tenant agree that upon the termination of this Lease, other than by an Event of Default, or in the event the Landlord and the Tenant have agreed not to renew this Lease upon the expiration of the Term, the following provisions shall be applicable:

- (1) The Tenant agrees to restore the Lands at the Tenant's sole expense at the end of the term to the satisfaction of the City, and in

the event such restoration is not made, the City may do so at the expense of the Tenant and recover the expense by any legal means available.

14.0 Notice

Any notice which may be or is required to be given under this Letter of Intent shall be sufficiently given if mailed in Canada, registered and postage prepaid, delivered by prepaid courier or sent by facsimile transmission, addressed:

if to the Landlord:	Corporation of the City of London 300 Dufferin Ave. P.O. Box 5035 London, ON, N6A 4L9 Attention: Manager Realty Services
if to the Tenant:	G.I. Farms Inc. 2980 South Talbot Road Cottam, ON, N0R 1G0 Attention: Frank Porrone

15.0 Confidentiality

In consideration of the Landlord entering into this Letter of Intent, the Tenant agrees that it shall not disclose this Letter of Intent or the Lease or the terms of either such document, except to any of its professional advisors, consultants and auditors, where such disclosure is reasonably required and such advisor, consultant or auditor has agreed to honour such confidentiality, and except as required by law.

16.0 Lease

(1) Within 90 days of the acceptance of this Letter of Intent, the Landlord shall prepare the lease (the "Lease") to be entered into between the Landlord and the Tenant, based on the standard form of net ground lease for the Project and with the specific terms of this Letter of Intent incorporated. The parties shall negotiate the Lease in good faith. Should the Lease not be entered into within 120 days of the acceptance of this Letter of Intent then this Letter of Intent shall have no further force or effect, save and except for Section 15.

17.0 Tenant's Condition

This Letter of Intent is contingent on the Tenant obtaining leasehold financing to fund the construction of the Initial Improvements by May 1, 2015 or earlier. As the proposed project costs are in the order of \$40 million, the Tenant shall demonstrate financial strength and ability to deliver the project by providing sufficient financial information to

demonstrate the Tenant has the financial resources and strength to fully perform and complete all obligations, duties and responsibilities in connection to this project. The following information shall be provided for review by the City prior to the execution of the Lease:

- a) A current credit reference letter from the Tenant's current corporate banking institution specifying the length and nature of the relationship and the amount of financing that is available to the Tenant;
- b) Audited Financial Statements for three full fiscal years or in the absence of audited financial statement, unaudited financial statement for the three full fiscal years.

18.0 Deposit

The sum of \$5,000.00 shall be delivered by the Tenant with this Letter of Intent and be held without interest as a deposit to be returned to the Tenant without interest upon the execution of the lease by the tenant, failing which the Landlord shall be at liberty to retain the deposit as compensation for its time and expenses related to negotiations of this Letter of Intent and lease.

19.0 Assignment

The Tenant shall not assign or otherwise transfer this Letter of Intent or the Lands, and no rights hereunder shall enure to the benefit of any assignee or successor of the Tenant, without the Landlord's consent, which consent may be unreasonably withheld until the Lease is executed, after which time the provisions of the Lease shall govern. This Letter of Intent shall enure to the benefit of the Landlord's successors and assigns.

20.0 Miscellaneous

(1) If any term, covenant or condition of this Letter of Intent or the application thereof to any person or circumstances is to any extent held or rendered invalid, unenforceable or illegal, the remainder of this Letter of Intent or the application of such term, covenant and condition to persons or circumstances other than those with respect to which it is held invalid, unenforceable or illegal is not affected thereby and continues to be applicable and enforceable.

(2) Time shall be of the essence of this Letter of Intent and each and every part thereof.

If the foregoing is acceptable to you, please so indicate by executing the enclosed counterpart of this Letter of Intent, faxing a copy and returning the original signed copy to the undersigned.

G.I. Farms Inc.

"Tenant"

Per:  _____

Frank Porrone, President

I/We have the authority
to bind the Corporation

7th The foregoing is hereby accepted and agreed to by the undersigned this
day of February, 2015

The Corporation of the City of London

"Landlord"

Per: _____

Matt Brown, Mayor

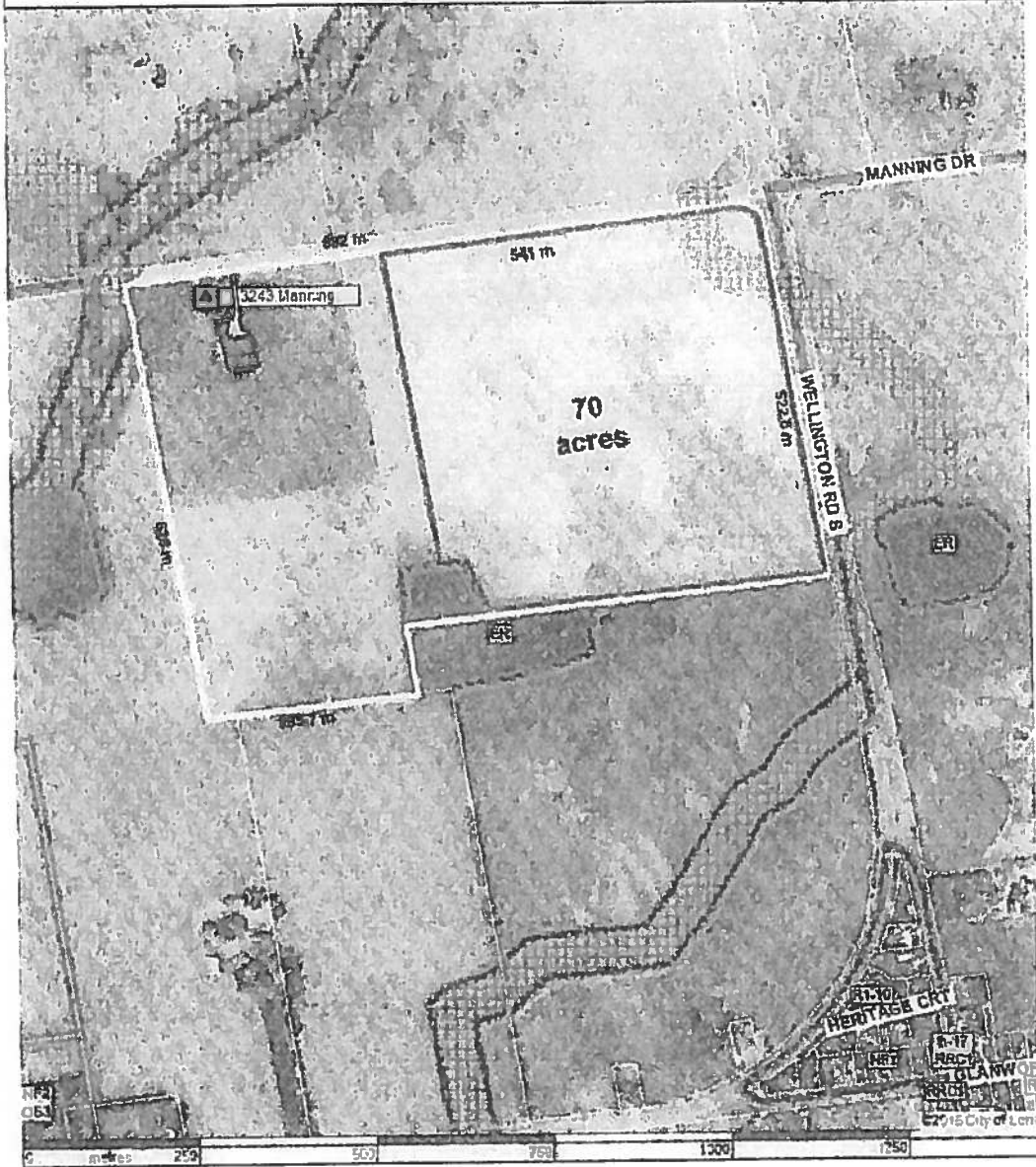
I/We have the authority
to bind the Corporation

Per: _____

Catharine Saunders, City Clerk

Schedule A

**3243 MANNING DRIVE, LONDON, ON
Leased Lands**



Schedule B

GREENHOUSE CONCEPT PLAN

