



CARPERE CANADA

1005 - 8400 WEST ROAD, RICHMOND, V6X 0S7

| CARPERE.CA | T 888.377.1999 | INFO@CARPERE.CA |

MEMORANDUM OF UNDERSTANDING

BETWEEN:

**CARPERE CANADA INDUSTRIAL PARK CORP.
(hereinafter called the "Developer")**

AND:

**CITY OF MERRITT, BRITISH COLUMBIA
(hereinafter called the "City")**

WHEREAS the Developer is exploring opportunity for development and operation of an industrial business park in the province of British Columbia, and;

WHEREAS the City desires to bring new investment, job growth and economic benefits to the region;

NOW THEREFORE both Parties commit to work together to determine the feasibility of and cooperation model for an industrial park in the region.

A. Parties

This Memorandum of Understanding (hereinafter referred to as "MOU") is made and entered into by and between the Developer, whose address is 8400 West Road, Suite 1010, Richmond, BC V6X 0S7 and the City, whose address is Box 189, 2185 Voght Street, Merritt, BC V1K 1B8.

B. Purpose

This Memorandum of Understanding ("MOU") is intended to provide a framework for discussions between the City and Developer in an effort to achieve meaningful cooperation in the areas outlined herein, and to support and advance the respective interests of each of the Parties. Except for Confidentiality, this MOU does not commit the parties to enter into any other binding or legal arrangements.

C. Term of MOU

This MOU is effective upon the day and date last signed and executed by the duly authorized representatives of the Parties to this MOU, and shall remain in full force and effect for not longer than twelve (12) months from that date. This MOU may be extended by mutual consent.

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The MOU may be terminated by either party upon 90 days written notice to the other party receiving the notice to the address listed above.

D. Responsibilities of Developer

1. The Developer will immediately commence a feasibility assessment of the region and potential land opportunities (the "Subject Properties") for the proposed development.
2. The Developer will provide concept master plan and visions for potential park development opportunities including intended land uses to review with the City in due course.
3. The Developer will use its best commercial effort to solicit a qualified and suitable anchor tenant for the said development, present its business case to the City for reviews and comments.
4. The Developer will cooperate, support and assist the City with all items denoted in Section E of this MOU.

E. Responsibilities of the City

Provided the Developer is interested in developing an industrial park in the City, the City will, at its sole discretion, assist the Developer:

1. with processing zoning amendment applications in a timely manner.
2. in establishing an understanding that the City will use its best commercial effort to consider possible a phased development cost charge payment structure, in accordance with the requirements of the *Local Government Act*.
3. in establishing an understanding that the City will use its best commercial effort to promote any proposed industrial park together with Carpere to attract potential tenants.
4. in establishing an understanding that the City will use its best commercial effort to introduce the Developer to other development opportunities within control of the City, including but not limited to residential, commercial and mix-use development land. The Developer acknowledges that the City must not offer preferential treatment to individual businesses and that any opportunities shared with the Developer will not be exclusive and will be shared publicly.
5. in establishing an understanding that the City will use its best commercial effort to collaborate with the Developer on any proposed concept plan and provide feedback on market demand, zoning/bylaw impacts and design standards.

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6. in establishing an understanding that the City will cooperate, support and assist the Developer with all items denoted in Section D of this MOU.

Notwithstanding anything to the contrary herein set out, it is acknowledged and agreed that the City does not assume or provide any legal obligation to undertake any of the foregoing and will carry out or provide only so much thereof as the City in its sole, absolute and unfettered discretion deems appropriate. In the event the City does provide any of the foregoing information, it makes no warranty or representation as to the accuracy thereof, and the Developer shall be solely responsible to make such inquiries or investigations as it requires to confirm such accuracy.

F. General Provisions

General

This MOU constitutes the entire understanding between the Parties with respect to its subject-matter and merges all prior and contemporaneous communications, both written and oral, by and between both parties.

Amendments

Either party may request changes to this MOU. Any changes, modifications, revisions or amendments to this MOU must be mutually agreed upon in writing.

Confidentiality

The Parties agree to keep confidential any Confidential Information disclosed to one another in order to facilitate discussions as contemplated by this MOU, unless waived by the disclosing Party in writing to further the mutual objectives contemplated herein. Nothing will limit the sharing of this confidential agreement by a Party with such other parties the Parties agree are stakeholders to the project. This section shall survive termination of the MOU. In this MOU, the expression "Confidential Information" shall mean trade secrets, business methods, technical project information, designs, statistical data, financial data and projections, forecasts, business practices and policies, research projects, reports, development and marketing plans, strategies and other business information that is not generally known or available to the public, and shall not in any event be construed to include any information which is in the public domain or any information received from a third party independently of the discussions and disclosures made by the parties hereto to each other.

Due Diligence

Subject to Confidentiality above, the Parties shall complete its due diligence process to satisfy its interests prior to formalization of a business agreement. Each Party shall make the relevant information available to complete the due diligence which may include discussions with relevant third parties (for greater clarity this may include legal, accounting or other such parties). Each Party is responsible for the costs of its own activities.

Dispute Resolution

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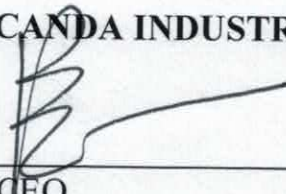
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Any disputes concerning this MOU will be resolved through consultation between the Parties and will not be referred to a court, tribunal, or any other third party.

G. Signatures

In witness whereof, the parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein.

CARPERE CANADA INDUSTRIAL PARK CORP.


_____(seal)
John Zhang, CEO

Date: September 21, 2020

THE CITY OF MERRITT

_____(seal)
Linda A. Brown, Mayor of Merritt

Date: