

Attachment #1

OFFER TO PURCHASE

This Offer to Purchase is for approximately 780 acres of land in the Moose Jaw Industrial Park

Submitted this 26th day of March 2019

BETWEEN:

CITY OF MOOSE JAW (the "City")

AND:

CARPERE CANADA INDUSTRIAL PARK CORP. (the "Purchaser")

WHEREAS the City is the registered owner of the Property situated within the City of Moose Jaw;

AND WHEREAS the Purchaser desires to set out certain general business terms with respect to the proposed purchase of the said Property, as set forth herein.

This Offer to Purchase is a non-binding expression of the Purchaser's interest, and completion of the transaction is subject to the negotiation and execution of a definitive agreement or agreements by the City and the Purchaser. This Offer to Purchase shall not be construed as a binding agreement on either the Purchaser or the City to proceed with the proposed transaction.

1. DEFINITIONS AND SCHEDULES

1.1 In this Agreement, in any supplemental or amending agreements, and in any schedules attached hereto the following words and terms shall have the following meaning unless there is something in the subject matter or context inconsistent therewith:

(a) the term "Adverse Conditions" means that, in the reasonable opinion of the City or the Purchaser, the results of the concept plan, including but not limited to, the geotechnical report, environmental site assessment, biophysical assessment or heritage screening, all to be prepared by the City, are not satisfactory; and

(b) the term "Property" means certain land situated within the City of Moose Jaw Industrial Park owned by the City of Moose Jaw, comprising of approximately 780 acres.

2. PURCHASE AND SALE


2.1 The Purchaser hereby agrees to purchase un-serviced land, being the Property, upon the terms and subject to the conditions provided for herein.

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[Handwritten signature]

3. TERMS AND CONDITIONS OF SALE

3.1 The Purchaser hereby agrees to purchase the Property subject to the following terms and conditions:

- (a) That the Property contains approximately 780 acres, and which final measured area shall not have a variance of more than five (5%) percent of such approximate area;
- (b) That the Purchaser will provide all required infrastructure services to and within the Property in accordance with a servicing agreement, to be mutually agreed upon by no later than one hundred and eighty (180) days of acceptance of this Offer to Purchase by the City;
- (c) The City will endeavour to rezone approximately 100 acres for residential use;
- (d) The City will assist in promoting and attracting future investors and business entities to the Property;
- (e) The City and the Purchaser shall agree to a Development Levy cost of \$49,600 per acre of developable land of the Property including 100 acres for residential for a period of 10 years following the closing date;
- (f) The Purchaser and City shall, in good faith, agree to mutually agreeable and reasonable milestones for the development of the Property and to discuss potential cost-sharing of capital projects required to service the Property in the future;
- (g) The Purchaser shall agree to a Letter of Credit in an amount to be mutually agreed upon as a genuine pre-estimate of the liquidated damages the City will experience should the development on the Property not ensue as required by the agreed upon milestones;
- (h) The Purchaser agrees that the City will retain the right to reacquire all remaining property for the Purchase Price plus the costs incurred by the Purchaser to improve the property should the development not proceed as required by the agreed upon milestones.
- (i) The City will adhere to its rezoning policy and assist the Purchaser through the process of rezoning, if and where required.
- (j) The Purchaser and the City shall, in good faith, negotiate and execute mutually agreeable forms of the Land Purchase and Development Agreement and the Servicing Agreement within one hundred and eighty (180) days of acceptance of this Offer to Purchase by the City; and
- (k) Upon consent and approval of the City, which will not be unreasonably withheld, conditioned or delayed the Purchaser shall have the ability to assign this Offer to Purchase, the Land Purchase and Development Agreement, and the Servicing Agreement, and any other ancillary agreements between the City and the Purchaser to an affiliate, subsidiary.

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nominee, partnership, limited partnership, or other related entity of the Purchaser. Upon the assignee becoming bound by and obligated to observe and perform the covenants and obligations of the Purchaser thereunder, the Purchaser (including, without limitation, its directors, officers, agents, employees, members, and shareholders) shall, without further agreement, be released on an absolute and irrevocable basis from any and all liability of any kind whatsoever upon such covenants and obligations. For greater clarity, this restriction only applies to the Offer, Purchase, Development and Servicing Agreements and not to any transfers of land following the closing date.

4. PURCHASE PRICE, PAYMENT AND CLOSING

4.1 The Purchase Price payable for the Property shall be the sum of TEN THOUSAND DOLLARS (Canadian) (\$10,000), per acre, subject to usual adjustments for commercial transactions of this nature in the Province of Saskatchewan. On closing, the Purchaser shall also pay Goods and Services Tax on the Purchase Price or provide proof of registration for GST purposes along with indemnity in respect to GST, on terms acceptable to the City, acting reasonably.

4.2 The Purchase Price shall be payable by the Purchaser to the City as follows:

(a) A SEVEN HUNDRED EIGHTY THOUSAND DOLLAR (Canadian) (\$780,000) refundable deposit (the "Deposit"), payable thirty (30) days following approval of this Offer to Purchase by the City of Moose Jaw. The Deposit shall be held in trust by the City's legal counsel, with interest, and maintained in trust by the City's legal counsel until the closing date, and upon closing the Deposit and any interest accrued thereupon is to be released to the City and credited towards the Purchase Price payable by the Purchaser;

(b) Of the Deposit described in subsection (a), TWO HUNDRED THOUSAND DOLLARS (Canadian) (\$200,000) shall be non-refundable (the "Non-Refundable Deposit") following the removal of conditions by the Purchaser.

(c) The balance of the Purchase Price of TEN THOUSAND DOLLARS (Canadian) (\$10,000) per acre, subject to adjustments provided for herein and customary to transactions of this nature and which shall be more specifically detailed in the Land Purchase and Development Agreement, shall be paid to the City on the closing date. The closing date shall be defined in the Land Purchase and Development Agreement.

5. RIGHT TO TERMINATE

5.1 Should any of the Terms and Conditions of Sale identified in Part 3 not be fulfilled by either party, the other party may unilaterally terminate this Offer to Purchase.

5.2 Should there be Adverse Conditions found on the Property, either party may unilaterally terminate this Offer to Purchase without liability to either the City or the Purchaser, as the case may be.

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[Signature]
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- 5.3 If there are any legal and/or physical encumbrances that will prohibit or limit the use of the Property that cannot be removed or discharged prior to the closing date, either party may unilaterally terminate this Offer to Purchase without liability to either the City or the Purchaser, as the case may be.
- 5.4 This Offer to Purchase is subject to the following conditions for the benefit of the Purchaser:
- 5.4.1 Satisfactory completion by the Purchaser of its due diligence investigations with respect to the Property and the surrounding lands within one hundred and eighty (180) days of the execution of this Letter;
 - 5.4.2 Approval of financing for the purchase price on terms satisfactory to the Purchaser;
 - 5.4.3 Approval of the proposed purchase of the Property and the agreements related thereto by the directors of the Purchaser;
 - 5.4.4 Approval of the Land Purchase, Development and Servicing Agreements by the directors of the Purchaser.
- 5.5 The Deposit, less the Non-Refundable Deposit if the Purchaser fails to complete the purchase after removing conditions outlined in 5.4, shall forthwith be refunded to the Purchaser if title(s) to the Property is not transferred to the Purchaser on the closing date.

6. ACCEPTANCE AND FORMATION OF CONTRACT

- 6.1 The City's acceptance of this Offer to Purchase is subject to approval by the Council for the City of Moose Jaw by no later than June 30, 2019, failing which this Offer to Purchaser shall be of no further force or effect.
- 6.2 The City's acceptance of this Offer to Purchase does not create legally binding obligations on either party. It shall however form the basis for entering into a Land Purchase and Development Agreement and the Servicing Agreement in relation to the purchase and sale of the Property and the completion of such other agreements as may be necessary to more fully delineate and formalize the terms outlined in this Offer to Purchase.
- 6.3 In the event the parties are unable to negotiate a mutually agreeable forms of the Land Purchase and Development Agreement and the Servicing Agreement within one hundred eighty (180) days of acceptance of this Offer to Purchase, or such later date as may be agreed upon by the City and the Purchaser, then this Offer to Purchase shall be of no further force and effect.

7. GENERAL TERMS

- 7.1 The City acknowledges that the Purchaser will be incurring costs, directly and indirectly, in completing its due diligence investigations and other efforts relating to the proposed transaction (collectively, the "Costs"). In consideration of such Costs and execution of this Offer to Purchase by the Purchaser, the City agrees that, from the date of execution of this Offer to Purchase by the City up to and including the date of execution of the Land Purchase and Development Agreement (or the expiry of the period provided for the negotiation and execution of such Agreement), the City will not, directly or indirectly: (a) solicit, initiate, seek, entertain,

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consider, encourage, discuss, negotiate or accept any expression of interest, inquiry, proposal or offer, whether oral, written or otherwise, from any person (other than the Purchaser or any person acting on its behalf) with respect to any sale of the Property (or any part thereof); or (b) participate in or continue any discussions or negotiations or enter into any oral or written agreement or understanding with, or provide any confidential, proprietary or non-public information to, any person (other than the Purchaser or any person acting on its behalf) with respect to any sale of the Property. The City shall immediately cease and cause to be terminated any existing discussions, negotiations or other activities with any parties with respect to any competing offer for the Property.

- 7.2 From the date of execution of this Offer to Purchase by the City, the City and their representatives will co-operate with the Purchaser in the performance by the Purchaser of its due diligence investigation of the Property and grant to the Purchaser, its authorized agents and representatives, access to the Property to conduct environmental and operational site assessments. Any investigations, site visits, consultations, inspections and audits to be performed by the Purchaser: (a) will be subject to prior notice to and co-ordination with the City; (b) will proceed at a time, place and manner such as to minimize any interruption or interference with the Property; and (c) will proceed at the Purchaser's risk and at a time, place and in a manner the City reasonably determines is prudent for the purpose of maintaining the confidentiality of this Offer to Purchase and the proposed transaction.
- 7.3 All costs and expenses incurred in connection with the negotiation, execution and delivery of this Offer to Purchase, the Land Purchase and Development Agreement, the Servicing Agreement, and any related agreements, and the consummation of the purchase, will be paid by the party incurring such costs and expenses.
- 7.4 This Offer to Purchase will be governed by and construed in accordance with the laws of the Province of Saskatchewan, without giving effect to principles of conflicts of laws.
- 7.5 This Offer to Purchase may be signed and delivered via email or facsimile and may be signed in one or more counterparts, each of which taken together will constitute one and the same agreement.

[Signatures follow on the next page]



CARPERE CANADA INDUSTRIAL PARK CORP.

Morris Chen

Per:

Yiming Luo

Per:

The foregoing terms are acknowledged and agreed to this ____ day of _____,
20____.

CITY OF MOOSE JAW

Per:

Per:

Attachment #2



- Municipal Boundaries
- City Owned less Wakamow Agreements
- Wakamow Valley Authority
- Section
- Quarter Section

Total City Owned Acres:
Approximately 780

