

Clerk's Stamp

COURT FILE NUMBER 2401-07573

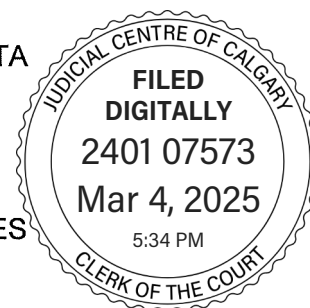
COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ROYAL BANK OF CANADA

RESPONDENTS FOOTHILLS TRUCK SALES & SERVICES LTD. and TODD BAILEY

DOCUMENT **FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
MARCH 4, 2025**



RECEIVER

BDO Canada Limited
110, 5800 - 2nd Street SW
Calgary, Alberta T2H 0H2

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RECEIVER'S COUNSEL

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Calgary, AB, Canada T2P 5C5
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**FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
MARCH 4, 2025**

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INTRODUCTION

1. On July 5, 2024 (the “**Receivership Date**”), the Royal Bank of Canada (“**RBC**”) sought and obtained an Order (the “**Receivership Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) appointing BDO Canada Limited as the Receiver and Manager (“the “**Receiver**”) over the following property of Mr. Todd Bailey (“**Mr. Bailey**” or the “**Guarantor**”):
 - (a) the real property of the Guarantor, including all current and future improvements and fixtures, legally described as:

MERIDIAN 5 RANGE 2 TOWNSHIP 18 SECTION 33 QUARTER NORTH WEST CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS EXCEPTING THEREOUT; PLAN NUMBER HECTARES (ACRES) MORE OR LESS ROAD 0011043 1.815 4.48 EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME (the “**Lands**”); and
 - (b) all present and future rents reserved or payable under the leases relating to the Lands and all present and future leases related to the Lands and the benefits and advantages derived therefrom (collectively with the Lands, the “**Property**”).
2. On June 24, 2024, Ms. Marlene Starenky of RBC swore an Affidavit (the “**Starenky Affidavit**”) which was filed in support of RBC’s application for the appointment of a Receiver leading to the Receivership Order.
3. The purpose of this report of the Receiver (the “**First Report**”) is to provide information to the Court in respect of:
 - (a) background on the receivership proceedings, the Property and certain details of creditors holding security interests against the Property;
 - (b) the material activities of the Receiver subsequent to the Receivership Order;
 - (c) an overview of the Receiver’s Sales Process leading to the Receiver entering into a purchase and sale agreement (the “**Purchase Contract**”) for the sale of the Lands, with such agreement conditional on the receipt of the approval of this Honourable Court;
 - (d) the receipts and disbursements of the Receiver since the granting of the Receivership Order, together with estimates to complete the administration of the Property to arrive at a Proposed Distribution (as defined herein);

- (e) details pertaining to the Receiver's proposed discharge and its request to terminate the receivership proceedings; and
 - (f) the Receiver's recommendations thereon.
- 4. Concurrent with the filing of this First Report, the Receiver has prepared and submitted a Confidential Supplement to the First Report (the "**Confidential Supplement**"), which contains commercially sensitive and/or confidential information which if disseminated is expected to have material negative effects on future sale efforts in respect of the Lands. As a result, and as more fully set out below, the Receiver is seeking a temporary sealing Order in respect of the Confidential Supplement.
- 5. Unless otherwise indicated, capitalized terms not defined in this First Report are as defined in the Receivership Order. All references to currency are in Canadian dollars unless otherwise noted.
- 6. This First Report, together with other information and filings regarding these proceedings, will be posted on the Receiver's website at: <http://www.bdo.ca/foothills>

TERMS OF REFERENCE

- 7. In preparing this First Report, the Receiver has relied upon unaudited financial or other information provided to the Receiver in the receivership proceedings and/or discussions with key stakeholders, among other sources of information (the "**Information**").
- 8. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Receiver expresses no opinion or any other form of assurance in respect of the Information referred to or used in the First Report.

BACKGROUND INFORMATION

- 9. Foothills Truck Sales & Services Ltd. ("**Foothills**") is a business that was incorporated in the Province of Alberta. Based on a corporate search dated May 29, 2024, Mr. Bailey is the sole director and shareholder of Foothills.

10. As set out in the Starenky Affidavit, RBC extended various credit facilities to Foothills pursuant to the Loan Agreements (as defined in the Starenky Affidavit). As of May 28, 2024, Foothills was indebted to RBC in the amount of approximately \$1,900,464, plus interest, costs and legal fees (the “**Indebtedness**”).
11. As security for the Indebtedness, Foothills granted a security interest in favour of RBC in relation to all of the assets of Foothills described in the GSA as well as a floating charge on land. Additionally, Mr. Bailey provided a limited guarantee in favour of RBC, which guaranteed all obligations of Foothills to RBC up to the maximum amount of \$2,300,000. The guarantee was secured by a first collateral mortgage on the Lands in favour of RBC in the principal amount of \$2,300,000 (the “**Mortgage**”).
12. Although Mr. Bailey owns the Lands in his personal capacity, the business operations of Foothills was understood to be conducted from the Lands, with such operations wound down prior to the Receivership Date.
13. RBC registered the Mortgage against the Lands on February 24, 2022. A copy of the Alberta land titles search results for the Lands are attached as **Appendix “A”** (the “**LTO Search**”).
14. The following is additional information on the Property:
 - (a) the Lands are located near Longview, Alberta, and have a municipal address of 14413-530 Avenue West, Foothills County, Alberta T0L 1H0. The Lands encompass approximately 155 acres of land with an approximate 1,900 square feet modular home, a Quonset and other structures. The Lands are partially zoned for agricultural and commercial use; and
 - (b) portions of the Lands are subject to two surface lease agreements (the “**Surface Leases**”) between Mr. Bailey and Ranahan Resources Limited (“**Ranahan**”). The Receiver understands that rental income from the Surface Leases may approximate \$7,500 annually.

Creditors

15. RBC has funded the Receiver \$50,000 in principal through Receiver's Certificates, with such amounts secured by the Receiver's Borrowings Charge as defined in the Receivership Order, providing priority over all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the *Bankruptcy and Insolvency Act*.
16. As noted above, the primary secured creditor in respect of the Property is RBC. The Receiver's legal counsel has conducted an independent review of RBC's security over the Property, which has confirmed, subject to the standard and customary assumptions and qualifications that the Mortgage constitutes to and in favour of RBC a fixed and specific mortgage and charge as against the Lands; and a general assignment of rents from the Surface Leases.
17. As shown in the LTO Search, the Mortgage was registered first in time against the Lands.
18. Following consultation with RBC, the Receiver remitted approximately \$22,299 in satisfaction of the outstanding property taxes up to 2024 owing to Foothills Country to avoid additional interest and penalties.
19. While the Receiver is aware of other creditors of Foothills and Mr. Bailey with potential interests in the assets of Foothills and/or the personal property of Mr. Bailey,¹ the Receiver was only appointed over the Property which represents certain real property of Mr. Bailey of which RBC is the sole and senior secured creditor. In any event, as discussed in greater detail below, RBC will experience a shortfall such that there will be no funds available for distribution to any other creditors.

ACTIVITIES OF THE RECEIVER

20. The Receiver's material activities since the Receivership Order have included, *inter alia*:
 - (a) attending the Lands shortly following the Receivership Order to tour and complete other procedures with respect to taking possession and control of the Lands;
 - (b) writing and attempting to reach Mr. Bailey by telephone to request a meeting with the Receiver and to seek information from him in respect of the Property. However, the Receiver did not receive a response from Mr. Bailey, and understands that he may have left the province;

- (c) obtaining an insurance policy on the Lands in the name of the Receiver;
- (d) meeting with, and engaging, Mr. Brokop on various occasions, as he had specific knowledge of the Property and agreed to assist the Receiver in certain activities in the receivership proceedings where possible in an effort to minimize costs of the receivership;
- (e) with the assistance of Mr. Brokop, undertaking various clean-up activities in respect of the Property to remove debris or otherwise prepare the Lands for sale;
- (f) attempting to enter into a tenancy agreement with a tenant who was residing on the Lands at the Receivership Date and who the Receiver understood to be a relative of Mr. Bailey. However, before any agreement was entered into, the tenant vacated the Lands without notice to the Receiver and as such, the Lands have been vacant since that time and for the majority of the receivership;
- (g) establishing new utility accounts in the name of the Receiver to ensure continuous coverage of utilities to the Lands;
- (h) registering a copy of the Receivership Order on title of the Lands, as reflected in the LTO Search attached hereto;
- (i) notifying Ranahan of the Receivership Order on title to the Lands and collecting surface rental income pursuant to Surface Leases;
- (j) conducting the Sales Process and entering into the Purchase Contract (each as defined and discussed in further detail herein);
- (k) corresponding with the various stakeholders, including but not limited to RBC, Mr. Brokop, and/or respective legal counsel, as applicable; and
- (l) attending to various other administrative items in relation to the receivership.

RECEIVER'S SALES PROCESS

21. Pursuant to paragraph 3(k) of the Receivership Order, the Receiver has the power to market any or all of the Property for sale. In an effort to realize on the Property in an efficient and transparent manner, the Receiver ran a sale process for the Property commencing September 2024, as described in more detail below.
22. As the proposed Sale Process was relatively straightforward and, in an attempt to reduce the costs of administration the Receiver relied upon its powers under the Receivership Order to run the Sale Process without obtaining the pre-approval of this Honourable Court. As such, the Receiver is now seeking the approval of the Sale Process and winning bid at the same application. The Sales Process consisted of preparing the Property for sale, running a competitive realtor selection process, negotiating a commission rate with the selected realtor, working closely with the selected realtor throughout the sales process, reviewing, and analysing offers, negotiating the terms of the Purchase Contract, and keeping stakeholders informed throughout the process.
23. Below is a summary of the key activities and timelines in the Sales Process:
 - (a) On, or around, July 22, 2024, the Receiver issued a Request for Proposal ("**RFP**") to three (3) realtors, seeking proposals from real estate agents interested in assisting the Receiver in the marketing and selling of the Lands. All three (3) realtors submitted proposals to the Receiver, the material contents of which are summarized in the Confidential Supplement. The Receiver is of the view that canvassing proposals from three realtors represents a sufficiently broad canvassing of potential listing agents based on the credentials and the reputations of the real estate firms selected; and
 - (b) Following its review of the proposals a submitted, and in consultation with RBC and Mr. Brokop, the Receiver engaged Steven Sklenka, from Re/Max Real Estate (Central) ("**Re/Max**" or the "**Realtor**") as the exclusive listing agent for the Lands. The Receiver selected Re/Max as the listing agent for the Lands based on the proposed commission structure, perceived knowledge of similar properties and court-ordered sales processes and the recommendations of Mr. Brokop.
24. The Receiver and Re/Max entered into a listing agreement dated September 25, 2024 (the "**Listing Agreement**"), a copy which is attached as **Appendix "B"**.

25. A summary of the non-confidential aspects of the sales process undertaken by the Receiver through Re/Max is provided below (collectively with the RFP process, the “**Sales Process**”):
- (a) the Lands were formally listed for sale on, or around, September 25, 2024, at an initial list price of \$2,699,900, which was subsequently reduced to \$2,300,000 on November 27, 2024 (following consultation with both RBC and Mr. Brokop);
 - (b) the Lands were listed for sale through the Multiple Listing Service or realtor.ca, and other advertising and member websites by Re/Max, as well as the Realtor’s specific website. Additional marketing efforts included direct marketing by Re/Max to other brokers, neighbours to the Lands, and other potential identified parties;
 - (c) Re/Max facilitated a total of 8 showings and responded to inquiries of interested parties and their realtors;
 - (d) the Receiver, through Re/Max, conducted negotiations with interested parties leading the Receiver to enter into the Purchase Contract with the Purchaser following consultation with RBC as the senior secured creditor and mortgagee of the Lands.
26. Further confidential details of the Sales Process and a summary of all offers submitted to the Receiver are provided to this Honourable Court in the Confidential Supplement.
27. The Receiver is recommending that this Honourable Court:
- (a) hereby ratify and approve the Sale Process and the Listing Agreement; and
 - (b) declare that the Sale Process undertaken by the Receiver is reasonable and fair.

PROPOSED TRANSACTION

28. As a result of the Sales Process, the Receiver negotiated and entered into the Purchase Contract (inclusive of the Addendum), a copy of which, with the financial terms redacted, is attached as **Appendix “C”**. An unredacted copy of the Purchase Contract is provided to the Court through the Confidential Supplement.
29. The Purchase Contract includes, *inter alia*, the following material terms:
- (a) *Purchasers* – Dale McAuley and Rosemaire McGinn. The Receiver notes that it has been advised that one of the purchasers is related to Mr. Brokop;

- (b) *Purchased Assets* – the real property legally described herein and defined as the Lands, including the appliances, the Surface Leases and the benefits and advantages derived therefrom including, without limitation, all rights and entitlement to present and future rents reserved or payable under Surface Leases;
- (c) *Purchase Price* – the purchase price is disclosed in the Confidential Supplement;
- (d) *Deposit* – \$20,000 which is being held by Re/Max with a further \$10,000 payable 10 business days following written notice of Court approval;
- (e) *Court Approval* – conditional upon the Receiver obtaining an Order of the Court approving the sale, which Order has not been appealed; and
- (f) *Closing* – closing is set for 30 days following Court approval.

30. The Receiver recommends that this Honourable Court approve the Purchase Contract, and the proposed transaction contemplated therein (the “**Proposed Transaction**”), for the following key reasons:

- (a) the Sales Process was robust, and was conducted efficiently, with integrity and provided sufficient exposure of the Property to the market;
- (b) the purchase price under the Purchase Contract is the highest offer submitted to the Receiver, as illustrated in the Confidential Supplement;
- (c) the Property was on the market for a reasonable period of time from approximately September 2024 to current such that given the substantial marketing efforts undertaken to date, it is unlikely that further efforts would yield a more favourable outcome, together with the current sale mitigating ongoing holding costs;
- (d) Re/Max, the Receiver’s sale agent, is an experienced real estate agent and has recommended that the Receiver proceed with the Proposed Transaction;
- (e) the Receiver understands that RBC is supportive of the Proposed Transaction;
- (f) the completion of the Proposed Transaction will eliminate ongoing holding costs, including insurance, property taxes, utilities and other maintenance costs, while also reducing future professional fees;

- (g) the proposed purchasers have submitted a deposit, and the Proposed Transaction is condition only to Court approval as outlined above. Accordingly, the Receiver reasonably believes they possess the financial capacity to complete the Proposed Transaction;
- (h) there has been no unfairness in the Sales Process or in the negotiation of the Purchase Contract which have been negotiated in good faith; and
- (i) based on the Sales Process, the Receiver submits that the Purchase Contract is commercially fair and reasonable.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 31. The Receiver has attached an Interim Statement of Receipts and Disbursements as of February 28, 2025 (the “**Interim SRD**”) as **Appendix “D”**. As set out therein, the Receiver is holding approximately \$18,161 of cash in trust at of that date.
- 32. The Receiver has also prepared a Projected Statement of Receipts and Disbursements (the “**Projected SRD**”) to the conclusion of the receivership, in the event that the Court approves the Receiver’s requested relief herein. A redacted copy of the Projected SRD (excluding the purchase price and commission) is attached as **Appendix “E”**, with an unredacted copy included with the Confidential Supplement.

PROFESSIONAL FEES

- 33. The Receiver has incurred professional fees in the amount of approximately \$52,463 (plus GST) from the commencement of these proceedings through to February 28, 2025, and the Receiver’s legal counsel has incurred professional fees and disbursements of approximately \$22,749.98 (plus GST) from the commencement of these proceedings through to February 28, 2025. These professional fees relate substantially to the activities summarized in this First Report.
- 34. The Receiver estimates that:
 - (a) Additional fees and disbursements of the Receiver in the amount of approximately \$15,000 (plus GST) will be required to complete the administration of the receivership estate; and

(b) additional fees and disbursements of the Receiver's counsel in the amount of approximately \$40,000 (plus GST) will be required to complete the administration of the receivership estate;

(collectively, the "**Estimates to Complete**").

35. The Receiver believes that the foregoing professional fees of the Receiver and its legal counsel are fair and reasonable in the circumstances and is therefore respectfully recommending that the Honourable Court approve the professional fees of the Receiver and the Receiver's legal counsel, as summarized herein. Copies of the respective invoices are available and can be provided upon request by the Court subject to potential redaction for items subject to solicitor client privilege.

PROPOSED DISTRIBUTION

36. The Receiver is seeking approval to make the following distribution from the net proceeds available: (i) payment of all outstanding Professional Fees (including the Estimates to Complete), any other costs of administrations, and any amounts secured by any Court ordered charges or statutory priority claims that rank in priority to the Indebtedness, including without limitation, the amounts owing to RBC pursuant to the Receiver's Borrowing Certificate in the amount of approximately \$50,000, plus interest accruing to the date of payment, any additional property taxes relating to the Lands that have accrued to the date of closing, and the real estate commissions arising from the Proposed Property Transaction; and (ii) to remit the remaining net proceeds of sale to RBC up to the amount of the Indebtedness.
37. As shown in the Projected SRD, RBC is anticipated to experience a shortfall on its security position in respect of the Property.

TEMPORARY SEALING ORDER

38. As noted above, the Receiver is seeking a temporary sealing order for the Confidential Supplement. The Confidential Supplement contains sensitive commercial information in respect of the Sale Process, Property and Proposed Transaction, including details of the offers received and the purchase price under the Proposed Transaction.

39. In the event the Purchase Contract does not close, the Lands may be subject to further marketing and the Receiver's ability to obtain the highest and best price possible in the circumstances would be severely compromised due to the confidential and commercially sensitive information being in the public domain.
40. Accordingly, the Receiver considers that a temporary sealing order, which would seal the contents of Confidential Supplement until the Receiver files a certificate with this Court confirming that the Proposed Transaction has closed, is appropriate in the circumstances.
41. The Receiver (through legal counsel) will issue the requisite notice to the media through the Court's online portal.

DISCHARGE OF THE RECEIVER

42. In the event that the Court approves the relief being sought, following the closing of the Proposed Transaction and the issuance of the Proposed Distribution, the Receiver will have substantially completed its administration of the Property. Therefore, the Receiver is seeking the Court's approval for its discharge as Receiver and termination of the proceedings upon the filing of a discharge certificate with the Court.

RECOMMENDATION

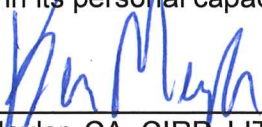
43. The Receiver respectfully recommends that this Honourable Court approve:
 - (a) the Receiver's activities, as outlined in this First Report, including the Sales Process, Interim SRD and Projected SRD;
 - (b) the Purchase Contract and the Proposed Transaction;
 - (c) the professional fees of the Receiver and the Receiver's legal counsel, inclusive of the estimates provided herein to conclude the matter;
 - (d) the Proposed Distribution; and
 - (e) the discharge of the Receiver and termination of the within receivership proceedings.

All of which is respectfully submitted this 4th day of March, 2025.


BDO Canada Limited

In its capacity as Receiver of certain property of Todd Bailey
and not in its personal capacity.

Per:



Kevin Meyler, CA, CIRP, LIT
Senior Vice President



Breanne Scott, CPA, CIRP, LIT
Vice President

APPENDIX “A”



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0028 372 241 5;2;18;33;NW 201 076 087

LEGAL DESCRIPTION

MERIDIAN 5 RANGE 2 TOWNSHIP 18
SECTION 33
QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0011043	1.815	4.48	

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: FOOTHILLS COUNTY

REFERENCE NUMBER: 081 387 203

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
201 076 087	22/04/2020	TRANSFER OF LAND	\$900,000	\$900,000

OWNERS

TODD BAILEY
OF 144133-530 AVE W
FOOTHILLS
ALBERTA T0L 1H0

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS
4871GB .	21/09/1949	CAVEAT RE : MINES AND MINERALS LEASE INTEREST CAVEATOR - RANAHAN RESOURCES LIMITED. 410, 333 - 5 AVE SW

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

201 076 087

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CALGARY

ALBERTA T2P3B6

AGENT - RON NEWMAN

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011075651)

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(DATA UPDATED BY: TRANSFER OF CAVEAT
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(DATA UPDATED BY: TRANSFER OF CAVEAT
151241147)

(DATA UPDATED BY: TRANSFER OF CAVEAT
241070188)

215IL . 23/01/1962 PUBLIC UTILITIES BOARD ORDER
IN FAVOUR OF - ATCO GAS AND PIPELINES LTD.
ATT: LAND DEPT
6TH FLR, 909 11TH AVE SW
CALGARY
ALBERTA T2R1L8
"PORTION OUTLINED IN RED ON PLAN ATTACHED"
(DATA UPDATED BY: TRANSFER OF PUBLIC
UTILITIES BOARD ORDER 131080430)

3405IS . 03/04/1963 CAVEAT
RE : EASEMENT
CAVEATOR - RANAHAN RESOURCES LIMITED.
410, 333 - 5 AVE SW
CALGARY
ALBERTA T2P3B6
AGENT - RON NEWMAN
AFFECTED LAND: 5;2;18;33;NW
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101020275)
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(DATA UPDATED BY: TRANSFER OF CAVEAT
151241130)
(DATA UPDATED BY: TRANSFER OF CAVEAT
241094743)

2558KB . 23/01/1968 PUBLIC UTILITIES BOARD ORDER
IN FAVOUR OF - PLAINS MIDSTREAM CANADA ULC.
1400, 607 8 AVE SW
CALGARY

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

REGISTRATION

201 076 087

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T2A0A7

AFFECTED PLAN: 4782JK

"3.65 ACRES, ORDER NO. 28328"

(DATA UPDATED BY: TRANSFER OF PUBLIC

UTILITIES BOARD ORDER 031414425)

(DATA UPDATED BY: TRANSFER OF PUBLIC

UTILITIES BOARD ORDER 081090404)

8348KF . 26/02/1969 CAVEAT

RE : UTILITY RIGHT OF WAY

CAVEATOR - CONOCOPHILLIPS CANADA RESOURCES CORP.

BOX 130

STN M

CALGARY

ALBERTA T2P2H7

(DATA UPDATED BY: TRANSFER OF CAVEAT

011074984)

(DATA UPDATED BY: CHANGE OF NAME 021042012)

(DATA UPDATED BY: CHANGE OF NAME 081386190)

761 012 470 03/02/1976 CAVEAT

RE : LEASE INTEREST

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

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(DATA UPDATED BY: TRANSFER OF CAVEAT

101103719)

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(DATA UPDATED BY: TRANSFER OF CAVEAT

151234941)

(DATA UPDATED BY: TRANSFER OF CAVEAT

241103707)

761 012 471 03/02/1976 CAVEAT

RE : EASEMENT

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 4

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REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS
-----(DATA UPDATED BY: TRANSFER OF CAVEAT
151234941)(DATA UPDATED BY: TRANSFER OF CAVEAT
241103707)

771 078 003 15/06/1977 CAVEAT

RE : EASEMENT

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

(DATA UPDATED BY: CHANGE OF NAME 071013382)

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151227622)(DATA UPDATED BY: TRANSFER OF CAVEAT
241103711)

771 078 004 15/06/1977 CAVEAT

RE : LEASE INTEREST

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

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151227622)(DATA UPDATED BY: TRANSFER OF CAVEAT
241103712)

771 078 005 15/06/1977 CAVEAT

RE : LEASE INTEREST

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 5

201 076 087

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

151227622)

(DATA UPDATED BY: TRANSFER OF CAVEAT

241103712)

781 100 872 27/06/1978 CAVEAT

RE : ORDER

CAVEATOR - RANAHAN RESOURCES LIMITED.

410, 333 - 5 AVE SW

CALGARY

ALBERTA T2P3B6

AGENT - RON NEWMAN

(DATA UPDATED BY: TRANSFER OF CAVEAT

101019850)

(DATA UPDATED BY: CHANGE OF NAME 111146533)

(DATA UPDATED BY: CHANGE OF ADDRESS 121013378)

(DATA UPDATED BY: TRANSFER OF CAVEAT

151228724)

(DATA UPDATED BY: TRANSFER OF CAVEAT

241107920)

861 144 486 03/09/1986 CAVEAT

RE : RIGHT OF WAY AGREEMENT

CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY
LIMITED.

909 - 11TH AVE. S.W., CALGARY

ALBERTA

AGENT - JOHN M WILLSSHER

971 161 531 06/06/1997 CAVEAT

RE : ROADWAY

CAVEATOR - HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA

AS REPRESENTED BY MINISTER OF TRANSPORTATION AND
UTILITIES

3RD FLOOR, 909-3RD AVE. NORTH

LETHBRIDGE

ALBERTA T1H0H5

AGENT - ALEC WATERS

981 284 419 15/09/1998 CAVEAT

RE : UTILITY RIGHT OF WAY

CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY
LIMITED.

909 - 11 AVENUE, S.W.

CALGARY

ALBERTA T2R1L8

AGENT - MARSHALL MCCARTHY

001 309 427 30/10/2000 CAVEAT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 6

201 076 087

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

RE : SURFACE LEASE UNDER 20 ACRES
CAVEATOR - RANAHAN RESOURCES LIMITED.
410, 333 - 5 AVE SW
CALGARY
ALBERTA T2P3B6
AGENT - RON NEWMAN
(DATA UPDATED BY: TRANSFER OF CAVEAT
101020159)
(DATA UPDATED BY: CHANGE OF NAME 111122407)
(DATA UPDATED BY: CHANGE OF ADDRESS 121013055)
(DATA UPDATED BY: TRANSFER OF CAVEAT
151234997)
(DATA UPDATED BY: TRANSFER OF CAVEAT
241068709)

001 336 823 23/11/2000 CAVEAT
RE : RIGHT OF WAY AGREEMENT
CAVEATOR - RANAHAN RESOURCES LIMITED.
410, 333 - 5 AVE SW
CALGARY
ALBERTA T2P3B6
AGENT - RON NEWMAN
(DATA UPDATED BY: TRANSFER OF CAVEAT
101020159)
(DATA UPDATED BY: CHANGE OF NAME 111122407)
(DATA UPDATED BY: CHANGE OF ADDRESS 121013055)
(DATA UPDATED BY: TRANSFER OF CAVEAT
151234998)
(DATA UPDATED BY: TRANSFER OF CAVEAT
241076438)

221 039 142 24/02/2022 MORTGAGE
MORTGAGEE - ROYAL BANK OF CANADA.
36 YORK MILLS ROAD, 4TH FLOOR
TORONTO
ONTARIO M2P0A4
ORIGINAL PRINCIPAL AMOUNT: \$2,300,000

241 206 930 09/08/2024 ORDER
IN FAVOUR OF - BDO CANADA LIMITED.
AGAINST - TODD BAILEY
RECEIVERSHIP ORDER

241 243 502 18/09/2024 CAVEAT
RE : PURCHASERS INTEREST
CAVEATOR - ERWIN BROKOP
RICHARD E HARRISON PROFESSIONAL CORPORATION
SUITE 650,211-11TH AVENUE SW
CALGARY

(CONTINUED)

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
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ALBERTA T2R0C6
AGENT - RICHARD E HARRISON

TOTAL INSTRUMENTS: 019

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 28 DAY OF
FEBRUARY, 2025 AT 12:21 P.M.

ORDER NUMBER: 53007216

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S) .

APPENDIX “B”

EXCLUSIVE SELLER REPRESENTATION AGREEMENT

An Agreement to Exclusively Represent a Seller

(For Use in Designated Agency Brokerages)

Between

THE BROKERAGE (WE)

and

THE SELLER (YOU)

Name RE/MAX Real Estate (Central)

Name BDO Canada Limited in its sole capacity ...

Name _____

Name ... as receiver of certain property of Todd Bailey

1. THE PROPERTY

1.1 The land and buildings at (municipal address): 144133 530 AVE W UNIT #10 RURAL FOOTHILLS COUNTY T0L 1H0

including the following goods not attached to the land and buildings: _____

Property and any appliances, if any, sold "as is, where is" with no warranties or representations. There is no RPR or any documentation.

and all goods attached to the land and buildings, **except:** _____

Legal Description (to be used for non-condominium and non-country residential properties only):

Plan

NW-33-18-2-W5M

Block

Lot

Legal descriptions for condominium and country residential properties must be put in a property specific schedule. Indicate the applicable schedule below, complete and attach it. Other schedules may be required. Additional schedules must be listed in clause 17.1.



Condominium Property Schedule



Country Residential Property Schedule

1.2 You authorize us to offer the property for sale for \$2,699,900.00, including GST, if applicable. You must determine whether the sale of the property is subject to GST by getting independent advice. You acknowledge that neither we nor our representatives are giving an opinion about GST applying to the sale of the property and you agree that we and our representatives will not be responsible for the payment of GST.

1.3 The proposed possession date is **30 days or Negotiable**

2. OUR AGENCY RELATIONSHIP

2.1 You give us the exclusive right to offer the property for sale. We appoint Steve Sklenka (the designated agent) to serve as sole agent for you. This agreement creates a sole agency relationship with the designated agent, as the Real Estate Council of Alberta's *Consumer Relationships Guide* (Guide) explains. That means you cannot appoint anyone else as your agent or representative during this agreement. However, we may represent buyers and other sellers.

2.2 If the designated agent is no longer registered with us and at your request, we will appoint another designated agent to serve as sole agent for you or this agreement ends.

2.3 The designated agent's knowledge will not be attributed to us or to our designated agents representing buyers.

2.4 This agreement begins on 09/26/2024 at 9:00 a. m.
It ends on 12/26/2024 at 9:00 p. m.

3. OUR RESPONSIBILITIES

3.1 During this agreement we must:

- (a) be impartial in our dealings with you and other buyers represented by us interested in the property.
- (b) make sure the designated agent that represents you meets our applicable policies and procedures.
- (c) supervise the designated agent and support staff to make sure their responsibilities are met.
- (d) hold money we receive in trust, as the *Real Estate Act* requires.
- (e) give you a copy of this agreement as soon as possible after signing.

4. THE DESIGNATED AGENT'S RESPONSIBILITIES

4.1 The designated agent must meet their agency responsibilities to you in a timely manner.

- 4.2** In addition to the responsibilities described in the Guide, the designated agent must also:
- (a) market the property, until the property is sold under this agreement, or this agreement ends.
 - (b) keep you informed of their marketing activities and any resulting transaction.
 - (c) tell any buyer interested in the property that they are your agent.
 - (d) tell buyers of all material latent defects affecting the property that they are aware of.
 - (e) help you negotiate favourable terms and conditions with a buyer.
 - (f) help you to prepare and comply with a contract to sell the property.
 - (g) present all offers and counteroffers to and from you, even when you have accepted a purchase contract. However, they need not seek additional offers while there is an unconditional purchase contract.
 - (h) tell you relevant facts about the transaction.

5. MLS® SYSTEM AND THE DESIGNATED AGENT'S OTHER SERVICES

- 5.1** The designated agent will advertise and market the property using the MLS® System. The MLS® System is a web-based service that allows seller representatives to list properties for sale and share information about those properties. All listings on the MLS® System must: (a) be for a minimum duration of 60 days; (b) provide compensation for cooperating brokers for the sale of the property; and (c) not exclude any licensed industry member from acting as a cooperating broker.
- 5.2** You request and the designated agent agrees to provide the following other services:
- (a) to install a lock-box on the property to provide access to authorized persons. ☒ Yes ☐ No
 - (b) _____
 - (c) _____
 - (d) _____

6. YOUR RESPONSIBILITIES

- 6.1** During this agreement you must:
- ~~(a) provide us with a real property report showing the current state of improvements on the property according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance, within ten days of signing this agreement, unless the property is a conventional condominium. Not having this real property report may result in problems on closing or rescission of the purchase contract.~~
 - (b) insure the property and its contents against loss or damage due to causes normally insured against for similar properties, even if your property is vacant.
 - (c) communicate and cooperate with us.
 - (d) tell us if the property's condition, status or title changes.
 - (e) tell us about inquiries you make or receive about the sale of the property.
 - (f) determine whether the sale of the property is subject to GST.
 - (g) determine and tell us if you will have enough money left over after the sale of your property to cover payment of your mortgage balance (including any payout penalties) and any other obligations you must pay out with the sale money.
- 6.2** During this agreement and 30 days after this agreement ends, you must give us copies of any offers you make or receive for the sale of the property, unless you sign a seller representation agreement with another brokerage that begins after this agreement ends.

7. YOUR WARRANTIES AND REPRESENTATIONS

- 7.1** ~~You warrant:~~
- ~~(a) you have authority to sell the property as described, including attached and unattached goods.~~
 - ~~(b) no one else has a legal right to the attached and unattached goods.~~
 - ~~(c) you have told us about all third party rights to the property that you know about.~~
 - ~~(d) all information you give us is true to the best of your knowledge.~~
- 7.2** ~~You warrant, to the best of your knowledge, the following are true:~~
- ~~(a) the land and buildings are currently being used according to municipal bylaws.~~
 - ~~(b) the buildings and land improvements are entirely on the land and not on any easement, right-of-way, or neighbouring lands (unless there is a registered agreement on title).~~
 - ~~(c) the location of the buildings or improvements meet municipal bylaws or regulations or the buildings and improvements are "non-conforming buildings" as defined in the Municipal Government Act (Alberta).~~
 - ~~(d) the land and buildings are currently being used according to, and the location of the buildings and land improvements meet, the restrictive covenants on title (if any).~~
 - ~~(e) you are not a non-resident of Canada under the Income Tax Act (Canada).~~

8. DOWER CONSENT

- 8.1** The following questions must be answered if you are the only registered owner of the property:
- (a) Are you legally married? (includes a separated couple not yet legally divorced but does not include a couple in a common law relationship) ☐ Yes ☐ No
 - (b) Have you or your spouse resided on the property at any time since your marriage? ☐ Yes ☐ No
- If you answered **yes** to both questions, your spouse will have to complete the Dower Consent and Acknowledgement and sign this agreement in the Signatures section – Non-Owner Spouse Signature (when dower rights apply).

9. CONFLICTS OF INTEREST

- 9.1** It is not a conflict of interest if the designated agent simply shows the property to a buyer they also represent.
- 9.2** A conflict of interest occurs when the designated agent acts as the sole agent for both you and the buyer. In that case, they must tell you there is a conflict and tell you and the buyer your options.
- 9.3** If there is a conflict, you and the buyer may agree to have the designated agent act as a transaction facilitator. In that case, they work for both sides to bring about a purchase and sale and do not act as sole agent for either of you.
- 9.4** If the designated agent, you or the buyer decide not to have them facilitate the transaction, they will act as the sole agent of the side which first signed a representation agreement with us, unless we all agree otherwise in writing.
- 9.5** If the designated agent does not continue to act as your sole agent, you may ask us to designate another agent from our brokerage, you may choose another brokerage, ask our designated agent to refer you to another brokerage, or have a customer relationship with the designated agent. If you are a customer, the designated agent's responsibilities are limited to those outlined in the Guide.

10. OUR FEE AND LIMITS ON PAYMENTS

- 10.1** Our fee is
3.5% of the first \$100,000 and 1.5% of the remaining balance of the sale price & GST, plus \$10,000 flat fee & GST
(plus GST) and is due when the sale of the property is complete.
- 10.2** We will offer
3.5% of the first \$100,000 and 1.5% of the remaining balance of the sale price & GST
(plus GST) from our fee to the buyer's brokerage.
- 10.3** You must pay our fee if:
- (a) while this agreement is in effect, you enter into a legally binding contract to sell the property, whether through us or not. You must pay us even if you don't complete the sale, unless you have a legal reason for not completing it.
 - (b) in the 90 days after this agreement ends, you enter into a legally binding contract to sell the property where the buyer was introduced to the property during the term of this agreement. You must pay us even if you don't complete the sale, unless you have a legal reason for not completing it.
- 10.4** You authorize us to use any deposit we hold under the purchase contract or this agreement towards money you owe us under this agreement. If the deposit does not cover our fee and any other money owing to us under this agreement, you must pay us the outstanding balance by 30 days:
- (a) after the sale is completed, or
 - (b) from when this agreement ends.
- 10.5** You must instruct your lawyer to deduct from the deposit and proceeds of sale, or money forfeited by or recovered from the buyer, the amount that you owe us under this agreement.
- 10.6** You do not pay our fee if you:
- (a) sell the property to a buyer excluded in writing from this agreement.
 - (b) sign a seller representation agreement with another brokerage that begins after this agreement ends.
- 10.7** If you change your mind about selling the property, you must tell us in writing. You must reimburse us for our reasonable expenses up to the time you tell us. Reasonable expenses will include: _____

If you pay these reasonable expenses, it does not remove your responsibility to pay other amounts you may owe us under this agreement.

- 10.8** If the buyer does not complete a legally binding contract to buy the property and has no legal reason for not completing it, the buyer may forfeit the deposit. If the buyer forfeits the deposit you will pay us our fee or 50% of the forfeited deposit, whichever is less.
- 10.9** You agree that all of your interest in the land, buildings and attached goods may be encumbered for our benefit to secure payment of all money that you owe us under this agreement. We and you agree that we are entitled to encumber the land, buildings, and attached goods under the *Land Titles Act* (Alberta).
- 10.10** If we have to enforce any of our rights under this agreement and we are successful, you will pay us our reasonable enforcement costs including lawyer and client fees.
- 10.11** We must not accept any other fees including finder's fees, referral fees, bonuses or gifts directly or indirectly related to this agreement, unless we first tell you in writing everything relevant about the payment and you consent in writing to the payment.

11. PERSONAL AND CONFIDENTIAL INFORMATION

- 11.1** For the purposes of this agreement, "Listing Information" includes all information required for the listing of the property, including your personal and confidential information. This includes but is not limited to your name, property address, images and audio and video recordings of the property, listing, pricing and sales information, existence of conditional offers, the unconditional sale price, and date of sale of the property.
- 11.2** You give your consent to us to collect, maintain, use and disclose the Listing Information, both now and at any time in the future, for the purposes of this agreement and for all uses set forth in this agreement including listing and marketing the property in any medium, including electronic media. You release us and our brokerage representatives from all claims and liability arising from these consented uses.
- 11.3** You consent to our collection, use, and disclosure of the Listing Information:
- (a) in our databases and in any databases we choose to use, regardless of whether we operate or control the databases.

- (b) for any business purpose, including making comparative analyses and sharing information with appraisers and other brokerages.
- 11.4** You acknowledge that we, our local real estate board, our provincial real estate association, and the listing services we use may:
- (a) disclose the Listing Information to others authorized to use the listing service, like other brokers, appraisers, government departments, municipal organizations, and others.
 - (b) use the Listing Information to gather, keep, and publish statistics which may be used to conduct comparative market analyses.
 - (c) use the Listing Information to better list, market, and sell real estate.
- 11.5** We will not use or disclose your Listing Information except as set forth in clauses 11.2, 11.3, or 11.4, or as required by law.
- 11.6** We will not give you any confidential information we have because of a past or present agency relationship with someone else.

12. ONGOING OBLIGATIONS

- 12.1** Our duty under clauses 11.1 through 11.5 to keep your Listing Information confidential in accordance with the terms thereof continues after this agreement ends.

13. INDEMNIFICATION

- ~~13.1 You agree that you will indemnify us and our brokerage representatives against all claims and legal actions that may arise because we reasonably and in good faith relied on information you gave us. This means that you will have to pay us in full for the outcome of these claims and legal actions and any related expenses including legal fees.~~

14. PROPERTY INFORMATION, NOTICES AND PERMITS

- ~~14.1 You are required by law to disclose material latent defects. These are known defects in the property that are not discoverable through a reasonable inspection and that may make the property dangerous or potentially dangerous to occupants or unfit for habitation. You may also be required to disclose defects that would be expensive to fix, government and local authority notices and lack of development permits.~~

- | | | |
|--|------------------------------|-----------------------------|
| (a) Are you aware of material latent defects in the property? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) Do you know of any defects that would be expensive to fix? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) Have you received any government or local authority notices? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) Do you know of any lack of permits for any development on the property? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- ~~If yes to any of the above, complete the Defect Disclosure Instruction Schedule.~~

15. ADDITIONAL TERMS (IF ANY)

1. Property and any appliances, if any, sold "as is, where is" with no warranties or representations. There is no RPR or any documentation. 2. The Listing side of the commission is as follows: ?Commission shall be a fixed fee of \$10,000 plus GST, which will include any and all fees, charges, or additional costs associated with the realtor's services, regardless of the final sale price of the property.? The Selling side of the commission is still 3.5% of the first \$100,000 and 1.5% of the balance & GST

16. EARLY END TO THIS AGREEMENT

- 16.1** Despite the end date listed at the beginning of this agreement, the agreement ends immediately if any of these things happen:
- (a) you complete a sale of the property.
 - (b) we and you agree in writing to an earlier end date.
 - (c) our licence to trade in real estate is suspended or cancelled.
 - (d) we are bankrupt, insolvent, or we are in receivership.
 - (e) you materially breach this agreement and we give you written notice to end it, or we materially breach this agreement and you give us written notice to end it.
 - (f) you give us written notice to end this agreement because our board membership status changes to the extent that we cannot fulfill our obligations under this agreement.

If the agreement ends for any of these reasons, our rights and your rights under this agreement will not be affected.

17. OTHER DETAILS ABOUT THIS AGREEMENT

- 17.1** Documents attached to this agreement only form part of this agreement if we and you sign or initial them. In addition to the property schedule selected in clause 1.1, this agreement includes these attached documents:

- 17.2** Any future changes to this agreement must be in writing and signed by both of us to be effective.
- 17.3** Words with a singular meaning may be read as plural when required by the context.
- 17.4** If any clauses added to this agreement conflict with standard clauses in this agreement, the added clauses apply.
- 17.5** This agreement is the entire agreement between us and you. Anything we discussed with you, or that you told us, is not part of this agreement unless it is in this agreement.
- 17.6** This agreement is for the benefit of and will be binding on the heirs, administrators, executors, successors and assigns of you and us.
- 17.7** The laws of the Province of Alberta govern this agreement.
- 17.8** A sale is complete when all money has been paid to you or your lawyer and is releasable.

18. SELLER ACKNOWLEDGEMENT

18.1 You acknowledge that:

- (a) you have read this agreement
- (b) you have received and read the Guide.
- (c) this agreement creates a sole agency relationship with the designated agent, as the Guide describes.
- (d) you had the opportunity to get independent advice from a lawyer, tax adviser, lender, appraiser, surveyor, structural engineer, property inspector or such other professional service provider as you require before signing this agreement.
- (e) this agreement accurately sets out what we and you agree to.

19. CONTACT INFORMATION

19.1 The following contact information must be used for all written communications between us and you. If this contact information changes, we and you must tell each other in writing within two days of the change.

SELLER:

Name BDO Canada Limited in its sole capacity as receiver of
Address certain property of Todd Bailey, 903-8 Ave SW, #620
(postal code)
Phone 403-266-5608 Fax 403-233-7833
Email brscott@bdo.ca Address con't: Calgary, AB, T2P 0P7

Name Rep. for BDO Canada Limited: Breanne SCOTT
Address 903-8 Ave SW, #620 Calgary, AB, T2P 0P7
(postal code)
Phone 403-266-5608 Fax 403-233-7833
Email brscott@bdo.ca

BROKERAGE:

Name RE/MAX Real Estate (Central)
Address 5211 4 Street NE, Calgary, AB T2K 6J5
(postal code)
Phone 403-216-1600 Fax 403-284-4923
Email broker@rmcyc.ca

BROKERAGE REPRESENTATIVE:

Name Steve Sklenka, B.Sc.Eng.
Address: c/o the Brokerage
Phone 403-703-3864 Fax 403-284-4923
Email stevesklenka@remax.net

19.2 We and you may communicate and deliver documents and information to each other in person, by mail, or electronically. We and you acknowledge there are risks with each of these methods and we have explained these risks to you.

19.3 We and you agree that for our communication an electronic signature will have the same function as an ink signature and that any documents or information exchanged between us will be considered delivered when they are sent.

SIGNATURES:

SIGNED AND DATED on _____.

Breanne Scott
Signature of Seller

Breanne Scott
Print Name of Seller

Signature of Witness

Print Name of Witness

Steve Sklenka
Signature of Brokerage Representative

Signature of Seller

Print Name of Seller

Signature of Witness

Print Name of Witness

Steve Sklenka
Print Name of Brokerage Representative

Seller: Initial here to show you have received a copy of this Agreement

BS
09/25/24
1:40 PM MDT

Initials Dated at 1:36p. m. on 09/25/2024

NON-OWNER SPOUSE SIGNATURE (when dower rights apply):

Signed and dated at NA at NA m. on NA.

Non-Owner Spouse Signature

NA

Non-Owner Spouse Name (print)

Witness Signature

NA

Witness Name (print)

ADDENDUM
(For adding contract terms)

This document forms part of agreement #: 2024sep25

Brokerage RE/MAX Real Estate (Central) ~~Buyer/Seller~~ BDO Canada Limited in its sole capacity ...

Brokerage _____ ~~Buyer/Seller~~ ... as receiver of certain property of Todd Bailey.

Municipal Address: 144133 530 AVE W UNIT #10 RURAL FOOTHILLS COUNTY T0L 1H0

The following terms are part of the contract:

Sec. 10.12:

"Notwithstanding anything to the contrary in the section of this listing agreement dealing with commission, the Realtor understands and agrees that any sale contemplated by the receiver will be subject to Court approval. Any commission payable under this agreement will be contingent upon the receiver obtaining such Court approval for any sale, and the closing of the transaction , "

Sec. 14

"Notwithstanding anything in this listing agreement, the agent acknowledges, understands, and agrees that:

Any sale contemplated by the receiver will be subject to Court approval.

Any commission payable under this agreement will be contingent upon the receiver obtaining such Court approval for any sale, and the closing of the transaction.

Any sale will be conducted on an "as is, where is" basis with no representations or warranties of any nature whatsoever"

Dated at 11:20 a.m. on 09/25/2024

Brokerage Signature: _____ Witness Signature: _____ Witness Name (print): _____

Steve Sklenka dotloop verified
09/25/24 11:20 AM PDT
RCMP-ISE-NRGA-WWCU _____

Brokerage Signature: _____ Witness Signature: _____ Witness Name (print): _____

Dated at _____ .m. on _____

~~Buyer/Seller~~ Signature: _____ Witness Signature: _____ Witness Name (print): _____

Breanne Scott dotloop verified
09/25/24 1:40 PM MDT
DHSA-EMAF-3LAM-KGBS _____

~~Buyer/Seller~~ Signature: _____ Witness Signature: _____ Witness Name (print): _____

EXCLUSIVE SELLER REPRESENTATION AGREEMENT AMENDMENT

(For Use in Common Law and Designated Agency Brokerages)

Between
and

THE BROKERAGE (WE)

THE SELLER (YOU)

Name RE/MAX Real Estate (Central)

Name BDO Canada Limited in its sole capacity...

Name _____

Name ... as receiver of certain property of Todd Bailey

Listing Number: _____

We and you wish to amend the Exclusive Seller Representation Agreement # 2024sep25
for (municipal address or legal description): TOL 1HO

This amendment is effective as of 8:24 a.m. on 11/27/2024.

1. End Date

The end date of the Exclusive Seller Representation Agreement is amended to _____ .m. on _____.


2. Price Change

The asking price for the property is amended to \$ 2,300,000.00.

3. Other Amendments (if any)

All other terms of the Exclusive Seller Representation Agreement remain the same.

SIGNED AND DATED on November 28, 2024.

 _____
Signature of Seller

Signature of Seller

Breanne Scott Per BDO Canada Limited, in its sole capacity as
Print Name of Seller receiver of certain Property of Todd Bailey, and not in its
personal or corporate capacity

Print Name of Seller

Signature of Witness

Signature of Witness

Print Name of Witness

Print Name of Witness

 _____
Signature of Brokerage Representative

dotloop verified
11/27/24 7:24 AM PST
J605-JHTQ-8MNA-LUXR

Steve Sklenka
Print Name of Brokerage Representative

Seller: Initial here to show you have received a copy of this Amendment

Initials Dated at _____ .m. on _____.

APPENDIX “C”

AGRICULTURAL PURCHASE CONTRACT

Between

THE SELLER

and

THE BUYER

Name BDO Canada Limited, in its sole capacity as
Name receiver of certain property of Todd Bailey,
and not in its personal or corporate capacity

Name Dale McAuley &
Name Rosemarie McGinn and/or Nominee

1. THE PROPERTY

1.1 The Property is:

(a) the land located in the (County or MD): 144133 530 Ave W unit #10 & #20 Rural
Municipal Address: Foothills County, AB, T0L 1H0

Legal description(s) as set out below or on the Land Description Schedule, selected as attached in clause 9.1

LINC Number	Title Number	W. of (Meridian)	Range	Township	Section	Quarter Section	Part	Hectares (more or less)	Acres (more or less)
0028372241		5	2	18	33	NW			155.52

Excepting thereout all mines and minerals unless otherwise stated

(the "Lands");

- (b) all buildings and other improvements on the Lands (the "Buildings");
- (c) these unattached goods: FRIDGE, STOVE, DISHWASHER, WASHER & DRYER all in
"as is" condition
- (d) the attached goods except for: N/A
- (e) the following tenancies where the seller is the landlord and the buyer is assuming these leases ("Accepted Tenancies"), or as described in the schedules selected as attached in clause 9.1: N/A

2.1 REDACTED

2. PURCHASE PRICE

2.1 The purchase price is plus GST if applicable ~~plus GST (the "Purchase Price")~~.

2.2 With respect to GST payable if the buyer is:

- (a) not a GST registrant under the *Excise Tax Act* (Canada), then the buyer shall remit the applicable GST to the seller's lawyer on or before the Completion Day. The seller shall remit the GST to the Receiver General as required by law, and will indemnify and save the buyer harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the buyer may incur or become subject to as a result of the seller's failure to remit GST pursuant to this clause; or
- (b) a GST registrant under the *Excise Tax Act* (Canada), then the buyer will provide the seller with proof and details of the buyer's GST registration before the Completion Day. The buyer will assume the liability for all GST payable pursuant to the *Excise Tax Act* (Canada) accruing in respect of this transaction and will indemnify and save the seller harmless from and against all costs and expenses (including legal fees on a solicitor/client full indemnity basis) that the seller may incur or become subject to as a result of the buyer failing to comply with its obligations pursuant to this clause.

2.3 ~~This contract will be completed, the Purchase Price fully paid, and vacant possession given to the buyer at 12 noon on~~
~~20 (the "Completion Day"), subject to the rights of the tenants in the Accepted Tenancies, if~~
~~any. All harvested crops remain the property of the seller and will be removed by the day of~~
~~20, and all unharvested crops by the day of 20, after which time the crops or any~~
~~part thereof not removed shall become the absolute property of the buyer.~~

2.4 After the date that acceptance of this contract is communicated, the seller shall not make any changes to any of the leases pertaining to the Accepted Tenancies without the buyer's consent in writing.

2.5 The seller represents and warrants that on the Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and unattached goods will be in normal working order.

3. GENERAL TERMS

- 3.1** In fulfilling this contract, the seller and buyer agree to act reasonably and in good faith and agree that:
- (a) unless the seller, buyer or both have agreed to alternate representation, the seller and buyer are each represented by their own sole agent and those agents have no agency responsibility to the other party;
 - (b) the laws of Alberta apply to this contract;
 - (c) Alberta time applies to this contract. Time is of the essence, which means times and dates will be strictly followed and enforced;
 - (d) Business Day means every day but Saturday, Sunday, and statutory holidays, and includes all the hours of the day;
 - (e) a reference to the seller or buyer includes singular, plural, masculine, feminine or an entity like a corporation;
 - ~~(f) the seller will disclose known Material Latent Defects. Material Latent Defects means a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;~~
 - (g) the seller and buyer are each responsible for completing their own due diligence and will assume all risks if they do not;
 - ~~(h) the seller will ensure the seller's representations and warranties are true by:~~
 - ~~(i) reviewing documents such as land title, registrations on title, leases, and contracts;~~
 - ~~(ii) determining non-resident status for income tax purposes and determining any dower rights;~~
 - ~~(iii) determining whether or not GST is payable for the sale of the Property;~~
 - ~~(iv) conducting due diligence searches, such as litigation and personal property security registry searches; and~~
 - ~~(v) doing other needed research;~~
 - (i) the buyer will ensure the buyer's representations and warranties are true by determining its ability to purchase land under the *Foreign Ownership of Land Regulations* (Alberta);
 - (j) the buyer may get independent inspections or advice on items such as land title, registrations on title, current and future use including agricultural use, Buildings and mechanical systems, property insurance, title insurance, applicability of GST, size of the Lands and Buildings, interior and exterior measurements, leases, current tenancy statements, pertaining to Accepted Tenancies, registrations affecting the unattached goods and attached goods, the seller's representations and warranties included in the attached Agricultural Purchase Contract Property Schedule, and other items important to the buyer;
 - (k) contract changes that are agreed to in writing will supersede the pre-printed clauses;
 - (l) the seller and buyer will read this contract and seek relevant advice before signing it;
 - (m) the brokerages, real estate board and listing services may collect, maintain, disclose, and publish relevant information about this transaction, including the unconditional sale price and date of sale of the Property, for reporting, statistical, property evaluation and closing purposes; and
 - (n) the Seller's (seller's or buyer's) brokerage will provide this contract and related documents to the appointed lawyers for the purpose of closing this contract.

4. DEPOSITS

- 4.1** The seller and buyer agree that clauses 4.2 through 4.9 are the terms of trust for the Deposits. "Deposits" means the amounts payable under clauses 4.3 and 4.4, and "Deposit" means either of them.
- 4.2** The seller and buyer appoint RE/MAX Real Estate (Central) as trustee (the "Trustee") for the Deposits.
- 4.3** The buyer will pay a deposit of \$ 20,000.00, which will form part of the Purchase Price, to the Trustee by Bank Draft (method of payment) on or before 12/13/2024 02/19/2025.
- 4.4** The buyer will pay an additional deposit of \$ 30,000.00, which will form part of the Purchase Price, to the Trustee by Bank Draft (method of payment) ~~on or before~~ within 10 business days of.
- 4.5** If the buyer fails to pay a Deposit as required by this contract, the seller may void this contract at the seller's option by giving the buyer written notice. The seller's option expires whenever the seller accepts a deposit, even if late. Written notice of
- 4.6** The Trustee will deposit the Deposits into a trust account within three Business Days of receipt. Court approval.
- 4.7** Interest on the Deposits will not be paid to the seller or buyer.
- 4.8** The Deposits will be held in trust for both the seller and buyer. Provided funds are confirmed, the Deposits will be disbursed, without prior notice, as follows:
- (a) to the buyer, if after this contract is accepted:
 - (i) a condition is not satisfied or waived in accordance with clause 8.4;
 - (ii) the buyer voids this contract for the seller's failure to provide a Dower Consent and Acknowledgement form in accordance with subclause 7.1(b);
 - (iii) the seller voids this contract for the buyer's failure to pay an additional deposit in the case where an initial deposit has been paid by the buyer; or
 - (iv) the seller fails to perform this contract;
 - (b) to the seller, if this contract is accepted and all conditions are satisfied or waived, and the buyer fails to perform this contract; or

- (c) applied against the Fee owed by the seller by payment directly out of trust to the brokerage(s), with any excess amount paid in trust to the seller's lawyer no later than three Business Days prior to the Completion Day. "Fee" means the amount, plus GST, owed to a real estate brokerage under a written service agreement.
- (d) If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 4.9 The disbursement of Deposits, as agreed to in this clause, will not prevent the seller or buyer from pursuing remedies in clause 12.

5. LAND TITLE

- 5.1 Title to the Property will be free of all encumbrances, liens and interests except for:
- (a) those implied by law;
- (b) non-financial obligations now on titles, such as easements, utility rights-of-way, covenants and conditions that are normally found registered against of this nature; and
- (c) the following encumbrances that the buyer agrees to accept:

6. REPRESENTATIONS AND WARRANTIES

- 6.1 ~~The seller represents and warrants to the buyer that:~~
- (a) ~~the seller has the legal right to sell the Property;~~
- (b) ~~the seller is not now nor will it be on the Completion Day a non-resident for the purposes of the Income Tax Act (Canada), nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;~~
- (c) ~~no one else has a legal right to the included attached and unattached goods;~~
- (d) ~~the current use of the Lands and Buildings complies with the existing municipal land use bylaw and any restrictive covenant on title;~~
- (e) ~~the location of the Buildings and land improvements:~~
- (i) ~~are on the Lands and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title or, in the case of an encroachment into municipal lands or a municipal easement or right of way, the municipality has approved the encroachment in writing;~~
- (ii) ~~complies with any restrictive covenant on title, and municipal bylaws, regulations and relaxations, or the Buildings and improvements are "non-conforming buildings" as defined in the Municipal Government Act (Alberta);~~
- (f) ~~known Material Latent Defects, if any, have been disclosed in writing in this contract;~~
- (g) ~~any government and local authority notices regarding the Property, lack of permits for any development on the Property, or notices regarding any environmental conditions or problems known to the seller have been disclosed in writing in this contract;~~
- (h) ~~there is no legal action outstanding with respect to the Property;~~
- (i) ~~the Property is in compliance with all applicable environmental laws;~~
- (j) ~~the seller is not in breach of any contract with respect to the Property which gives rise to an interest in land, including but not limited to, any leases related to Accepted Tenancies;~~
- (k) ~~any leases pertaining to the Accepted Tenancies are valid and in good standing;~~
- (l) ~~the seller is not in breach of any obligation to any third party with respect to the Property which gives rise to an interest in land;~~
- (m) ~~any on-site sewage systems serving the Property:~~
- (i) ~~are wholly within the limits of the Property;~~
- (ii) ~~have received the required certificates of installation and approval pursuant to the Environmental Protection and Enhancement Act (Alberta) (the "EPEA") and have been constructed according to those certificates of installation and approvals, or have the required certificates of installation and approval from the local municipality;~~
- (iii) ~~have received all required use permits under the EPEA or have the required use permits under the local municipality; and~~
- (iv) ~~have been properly used and regularly maintained and will be in good working order on the Completion Day; and~~
- (n) ~~the seller has disclosed to the buyer all knowledge and information it has regarding all wells, water sources, and water rights pertaining to the Property in writing in this contract.~~
- 6.2 ~~The buyer represents and warrants to the seller that the buyer is eligible to purchase "controlled land" as defined in the Foreign Ownership of Land Regulations (Alberta);~~
- 6.3 ~~The representations and warranties in this contract including any attached Schedules:~~
- (a) ~~are made as of, and will be true at, the Completion Day; and~~

~~(b) will survive completion and may be enforced after the Completion Day as long as any legal action is commenced within the time limits set by the Limitations Act (Alberta).~~

7. DOWER

7.1 The seller represents and warrants to the buyer that no spouse has dower rights in the Property. Otherwise, if dower rights do apply, the seller will:

- ~~(a) have the non-owner spouse sign this contract; and~~
- ~~(b) provide a completed Dower Consent and Acknowledgment form to be attached to and form part of this contract on or before _____, 20____. If the seller fails to provide the completed Dower Consent and Acknowledgment form by the agreed date, the buyer may void this contract at the buyer's option by giving the seller written notice. The buyer's option expires when the seller delivers the Dower Consent and Acknowledgment form, even if delivered late.~~

8. CONDITIONS

8.1 The seller and buyer will:

- (a) act reasonably and in good faith in trying to satisfy their own conditions, including making reasonable efforts to fulfill them, and
- (b) pay for any costs related to their own conditions.
- (c) agree that the buyer may retain consultants to conduct inspections, reviews and tests on the Property and may enter upon the Property for the purpose of conducting its investigations about the state of the Property, subject to the following:
 - (i) the rights of any tenants;
 - (ii) the buyer shall not carry out any destructive or physically invasive testing, except with the prior written consent of the seller and shall repair all damage resulting from its investigations;
 - (iii) the buyer shall obtain the seller's prior consent as to the timing and length of any inspections;
 - (iv) in conducting its investigations, the buyer shall use commercially reasonable efforts to minimize disruption of the current use of the Property; and
 - (v) the buyer shall indemnify and save the seller harmless from all claims, damages, losses or liabilities of any kind (including legal fees on a solicitor/client full indemnity basis) resulting from the buyer's investigations upon the Property; and
- (d) agree that the seller will provide the buyer with such written authorizations and other assistance when reasonably required by the buyer to facilitate the buyer's inspections, reviews and tests, to satisfy its conditions.
- (e) obtain professional advice with respect to GST applicable to the transaction.

8.2 Buyer's Conditions

The buyer's conditions are for the benefit of the buyer and are:

- (a) **Financing**
This contract is subject to the buyer securing new financing from a lender of the buyer's choice and with terms satisfactory to the buyer, before _____, m. on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.
- (b) **Property Inspection**
This contract is subject to the buyer's satisfaction with an inspection of the improvements on the Property, conducted by a licensed inspector, before _____, m. on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.
- (c) **Sale of Buyer's Property**
This contract is subject to the sale of the buyer's property before _____, m. on _____, 20____, on the terms in the attached Sale of Buyer's Property Schedule.
- (d) **Water**
This contract is subject to the buyer's satisfaction with the source and the flow rate of the water supply and a review of well and water reports prepared by an inspector of the buyer's choice, before _____, m. on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.
- (e) **On-site Sewage System**
This contract is subject to the buyer's satisfaction with a review of the on-site sewage system inspection, prepared by an inspector of the buyer's choice, before _____, m. on _____, 20____. The seller will cooperate by providing access to the Property on reasonable terms.
- (f) **Agricultural Purchase Contract Property Schedule**
This contract is subject to the buyer's satisfaction with the information provided by the seller in the attached Agricultural Purchase Contract Property Schedule, before _____, m. on _____, 20____.
- (g) **Subdivision Plan**
This contract is subject to the buyer's satisfaction with a review of a subdivision plan for the Property before _____, m. on _____, 20____. The seller will cooperate by providing a true copy of the subdivision plan.

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(h) Due Diligence

- (i) Within 10 Business Days after the date that acceptance of this contract is communicated, the seller will provide to the buyer true copies of all agreements, documents, reports and other materials respecting the Property that are in the possession or control of the seller (the "Disclosure Documents"), including but not limited to: copies of Permitted Encumbrances, copies of leases for the Accepted Tenancies, environmental reports, operating information, surveyors plans and reports, real property reports, permits, verification of GST payable, and

- (ii) The buyer will keep all Disclosure Documents and information obtained from the seller in strict confidence and will only make such information available to the buyer's employees, agents and professional advisors on a need to know basis. Should this transaction not be completed, the buyer will return the Disclosure Documents including all copies to the seller immediately.

- (iii) This contract is subject to the buyer's satisfaction with the results of its review of the Disclosure Documents and its inspections of the Property, before 5:00 p.m. on within 10 Business 20 Days of the Date in section 8(h)(i)

(i) Additional Buyer's Conditions

_____ DM RMH Buanebut
before _____, m. on _____, 20_____.

8.3 Seller's Conditions

The seller's conditions are for the benefit of the seller and are:

before _____, m. on _____, 20_____.

8.4 Each party will give the other written notice that:

- (a) a condition is unilaterally waived or satisfied on or before the date upon which it expires. If not, this contract will end after the time indicated for that condition; or
(b) a condition will not be waived or satisfied prior to the date upon which it expires. This contract will end upon that notice being given.

9. ATTACHMENTS AND ADDITIONAL TERMS

9.1 The selected documents are attached to and form part of this contract:

- ☐ Land Description Schedule
☐ Certificate(s) of Title for the Lands
☐ Financing Schedule (Seller Financing, Mortgage Assumption, Other Value)
☐ Sale of Buyer's Property Schedule
☐ Surface Leases and Income Schedule
☐ Grazing Leases and Permits Schedule
☐ Property Leases Schedule
☐ Residential Leases Schedule
☐ Water and Irrigation Rights Schedule
☐ Agricultural Purchase Contract Property Schedule
☐ Manufactured Home Schedule
☒ Addendum
☐ Other _____ The Addendum forms part of this Agriculture Purchase Contract. In the event of any conflict between the terms of the Agriculture Purchase Contract and the Addendum, the terms specified in the Addendum shall prevail.

9.2 The parties agree that the following additional terms shall form a binding part of this contract:

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30 days following Court approval.
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~~THIS CONTRACT WILL BE COMPLETED, THE PURCHASE PRICE FULLY PAID, AND VACANT POSSESSION GIVEN TO THE BUYER AT 12 NOON WITHIN 60 DAYS OF WRITTEN NOTICE OF COURT APPROVAL APRIL 12, 2025~~

AS PER SECTION 10.3 OF THIS PURCHASE CONTRACT THE SELLER WILL ALLOW THE BUYER UNDER TRUST CONDITIONS TO REGISTER A MORTGAGE IN ORDER TO ALLOW FUNDING.

10. CLOSING PROCESS

Closing Documents

10.1 As applicable, the closing documents will be:

- (a) transfer of land (the "Transfer") in registerable form;
- (b) statement of adjustments;
- (c) bill of sale for any unattached goods;
- (d) a signed acknowledgement for each of the Accepted Tenancies stating the lease is in good standing and that they have received notification of the sale (estoppel certificate) along with assignment of the leases;
- (e) GST indemnity certificate; and
- (f) such other closing documents reasonably requested by the seller's lawyer or the buyer's lawyer (the "Closing Documents").

Closing Procedure

- 10.2 The seller or the seller's lawyer will deliver the Closing Documents to the buyer or buyer's lawyer upon reasonable trust conditions consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for confirmation of registration of documents at the Land Titles Office, obtain the advance of mortgage proceeds, and verify of the transfer of other value items.
- 10.3 If a new mortgage is a condition of this contract, the seller agrees to trust conditions that allow the buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the seller's lawyer until the seller has been paid the total Purchase Price.

Payments and Costs

- 10.4 The Purchase Price (other than Deposits) shall be paid by certified cheque, bank draft or solicitor's trust cheque.
- 10.5 All normal adjustments for the Property including but not limited to taxes, local improvement levies and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, surface leases (if any), and mortgage principal and interest that are applicable with respect to the Property will be the seller's responsibility for the entire Completion Day and thereafter assumed by the buyer.
- ~~10.6 The seller's lawyer may use the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title, within a reasonable time after the Completion Day.~~
- ~~10.7 If the seller has entered into a written service agreement with a real estate brokerage, the seller instructs the seller's lawyer to honour the terms of that agreement, including the Fee and other costs payable to the seller's brokerage.~~
- ~~10.8 The seller will have the right to register a seller's caveat against the title to the Property and the buyer shall have the right to register a buyer's caveat against the title to the Property, upon the date that acceptance of this contract is communicated.~~
- ~~10.9 The seller will pay the costs to prepare the Closing Documents, costs to end any existing tenancies that are not Accepted Tenancies and provide vacant possession to the buyer and costs to prepare, register and discharge any seller's caveat based on this contract.~~
- ~~10.10 The buyer will pay the costs to prepare, register and discharge any buyer's caveat based on this contract and to register the Transfer and mortgage, if applicable.~~

Completion Day Delays

10.11 If the seller fails to deliver the Closing Documents in accordance with clause 10.2, then:

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B. M. S. *RM*

- (a) the buyer's payment of the Purchase Price and late interest will be delayed until the buyer or buyer's lawyer has received the Closing Documents and has a reasonable time to review and register them, obtain the advance of mortgage financing, and verify the transfer of other value items, as applicable; and
- (b) if the buyer is willing and able to close in accordance with this contract and wants to take possession of the Property, then the seller will give the buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the buyer at the interest rate of that mortgage.
- 10.12** If the seller has complied with clause 10.2, but the buyer is not able to close in accordance with this contract, then:
- (a) the seller may, but is not obligated to, accept late payment of the Purchase Price and give the buyer possession upon reasonable terms; and
- (b) if the seller agrees to accept late payment of the Purchase Price and, whether or not possession is granted, the buyer will pay late interest at the prime lending rate of the ATB Financial at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the seller is paid in full. Payment received after 12 noon on any day will be payment as of the next Business Day.

11. INSURANCE

- ~~11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If such loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.~~

12. REMEDIES

- ~~12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for Deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.~~
- 12.2 On buyer default, if the seller must restore the Property title, enforce a lien against the Property or regain possession of the Property, the seller may seek all remedies, such as claims for damages, and all reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- ~~12.3 The seller and the buyer agree that the Property is unique. On seller default, the buyer may make a claim for specific performance and other remedies.~~

13. NOTICE AND DOCUMENTS

- 13.1 A notice under this contract means a written document, including notices required by this contract, and this contract when accepted.
- 13.2 A notice is effective at the time the document is delivered in person or sent by fax or email.
- 13.3 Giving notice means the document is transmitted by one of these methods, and regardless of the method, the notice document is recognized as an original document.
- 13.4 For documents that require a signature, an electronic signature, as defined in the Electronic Transactions Act (Alberta), or a digitized signature will have the same function as an ink signature.

14. AUTHORIZATION

- 14.1 The seller and buyer may each authorize a representative to send and receive notices as described above. Once authorized, notices will be effective upon being delivered in person, or sent by fax or email to the authorized representative.

The seller authorizes:

Seller's Brokerage:

Name: RE/MAX Real Estate (Central)
Address: 5211 4th NE, Calgary, AB
T2K 6J5

Brokerage Representative:

Name: Steve Sklenka, B.Sc. Eng.
Phone: 403-703-3864
Fax: 403-204-4923
Email: stevesklenka@remax.net

The buyer authorizes:

Buyer's Brokerage:

Name: RE/MAX Real Estate (Central)
Address: 5211 4th NE, Calgary, AB
T2K 6J5

Brokerage Representative:

Name: Steve Sklenka, B.Sc. Eng.
Phone: 403-703-3864
Fax: 403-204-4923
Email: stevesklenka@remax.net

14.2 If the seller or the buyer does not authorize a brokerage, then:

The seller authorizes:

Name: N/A

Address: _____

Phone: _____

Fax: _____

Email: _____

The buyer authorizes:

Name: N/A

Address: _____

Phone: _____

Fax: _____

Email: _____

14.3 If the authorization information changes, the seller and buyer agree to give written notice to the other party as soon as the change is known so that future notices may be sent to the proper person and place.

15. CONFIRMATION OF CONTRACT TERMS

15.1 The seller and buyer confirm that this contract sets out all the rights and obligations they intend for the purchase and sale of the Property and that:

- (a) this contract is the entire agreement between them; and
- (b) unless expressly made part of this contract, in writing:
 - (i) verbal or written collateral or side agreements or representations or warranties made by either the seller or buyer, or the seller's or buyer's brokerage or agent, have not and will not be relied on and are not part of this contract; and
 - (ii) any pre-contractual representations or warranties, howsoever made, that induced either the seller or buyer into making this contract are of no legal force or effect.

Seller's Initials

[Signature]

Buyer's Initials

[Signature]

16. LEGAL OBLIGATIONS BEGIN

16.1 The legal obligations in this contract begin when the accepted contract is delivered in person or sent by fax or email. The obligations bind the seller and the buyer as well as their heirs, administrators, executors, successors, and assigns.

17. OFFER

17.1 The buyer offers to buy the Property according to the terms of this contract.

17.2 This offer/counteroffer shall be open for acceptance in writing until 5:00p m. on January 3rd 2025.

MARCH 14, 2025

FEBRUARY 13th, 2025

December 11, 2024

→ SIGNED AND DATED at Welwyn, Sask. Alberta at 8:00p m. on

Signature of Buyer or Authorized Signatory of Buyer

→ Dale McAuley

Print Name of Buyer or Authorized Signatory of Buyer

Signature of Buyer or Authorized Signatory of Buyer

→ Rosemarie McGinn

Print Name of Buyer or Authorized Signatory of Buyer

Signature of Witness

Print Name of Witness

Signature of Witness

Print Name of Witness

Buyer's GST # 123 936 684 RT001

18. ACCEPTANCE

18.1 The seller agrees to sell the Property according to the terms of this contract.

SIGNED AND DATED at Calgary, Alberta at 4:43 p.m. on February 14, 2025.

X Brianne Dutt

Signature of Seller or Authorized Signatory of Seller

Signature of Witness

**BDO Canada Limited, in its sole capacity as
receiver of certain property of Todd Bailey,
and not in its personal or corporate capacity**

Print Name of Witness

Signature of Seller or Authorized Signatory of Seller

Signature of Witness

Print Name of Seller or Authorized Signatory of Seller

Print Name of Witness

Seller's GST # _____

Non-registered owner spouse's signature (when dower rights apply):

SIGNED AND DATED at _____, Alberta at _____, m. on _____, 20_____.

Signature of Non-Registered Owner Spouse

Signature of Witness

Print Name of Non-Registered Owner Spouse

Print Name of Witness

INFORMATION

The following is for information purposes and has no effect on the contract's terms:

REJECTION

I/we do not accept this offer/counteroffer. No counteroffer is being made.

SIGNED AND DATED at _____, Alberta at _____, m. on _____, 20_____.

Signature of Seller or Authorized Signatory of Seller

Signature of Buyer or Authorized Signatory of Buyer

Signature of Seller or Authorized Signatory of Seller

Signature of Buyer or Authorized Signatory of Buyer

CONVEYANCING INFORMATION

Seller's Information:

Address Suite 6201 903-8th Ave SW
Calgary, AB, T2P 0P7
Phone 403-266-5600 Fax 403-233-7833

Lawyer Name _____
Firm _____
Address _____
Phone _____ Fax _____
Email _____

Buyer's Information:

Address Box 179
Welwyn, Saskatchewan, S0A 4L0
Phone Wk 306-434-7555 Fax ph hm. 306-733-4524

Lawyer Name _____
Firm _____
Address _____
Phone _____ Fax _____
Email _____

AGRICULTUREAL PURCHASE CONTRACT

ADDENDUM

This Addendum is attached to and forms part of the Agricultural Purchase Contract # 20241208 -DMRM

BETWEEN:

**BDO Canada Limited in its sole capacity as receiver of
certain property of Todd Bailey,
and not in its personal or corporate capacity (the "Seller")**

AND

Dale McAuley & Rosemarie McGinn and/or Nominee
(the "Buyer")

Municipal Address: 10, 144133 530 Avenue W Rural Foothills County Alberta, T0L 1H0

Legal Description: MERIDIAN 5 RANGE 2 TOWNSHIP 18 SECTION 33 QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS EXCEPTING
THEREOUT; PLAN NUMBER HECTARES (ACRES) MORE OR LESS ROAD 0011043
1.815 4.48 EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT
TO WORK THE SAME (the "Lands")

(a) COURT CONDITION: The Seller's obligation to complete the sale of the Property hereunder is subject to and conditional upon the Seller giving written notice to the Buyer on the expiry of ten (10) days following Court approval (the "Court Condition Date"), confirming that it has received an approval and vesting order from the court that is a final order (the "Court Condition"). The Court Condition is for the Seller's sole benefit and the Seller may unilaterally waive the Court Condition. If the Court Condition is not satisfied or waived by the Seller on or before the Court Condition Date, the holder of the Deposit shall promptly return the Deposit to the Buyer, this Offer shall terminate and the Seller and the Buyer shall have no further obligations to, nor rights against, the other concerning this Offer.

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Bureau
L. M.
R.M.

(b) SELLER'S CONDITIONS: The Seller's obligation to complete the sale of the Property hereunder is subject to the following conditions being fulfilled or performed as at the Completion Date:

- the Buyer shall have complied with and performed in all material respects all of its covenants and obligations contained in the Agricultural Purchase Contract;
- the Buyer shall have executed and delivered or caused to have been executed and delivered to the Seller at or before the Completion Date all the documents contemplated in the Agricultural Purchase Contract;
- no governmental authority shall have enacted, issued or promulgated any final or non-appealable order or applicable law which has the effect of: (i) making any of the transactions contemplated by the Agricultural Purchase Contract illegal; or (ii) otherwise prohibiting, preventing or restraining the Seller from the sale of the Lands;
- the Seller has not lost its ability to convey the Lands for any reason whatsoever; and
- the Buyer shall have paid to the Seller all amounts required to be paid by it under the Agricultural Purchase Contract.

The foregoing conditions are for the exclusive benefit of the Seller and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Seller may have.

(c) **SELLER'S LIABILITY:** The Buyer hereby expressly acknowledges and agrees that the Seller is acting only in its representative capacity as Court-appointed receiver and manager of the Lands and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agricultural Purchase Contract.

(d) **GENERAL INDEMNITY:** If Closing occurs, the Buyer shall indemnify and save harmless the Seller, its affiliates and their respective representatives from and against, all losses and liabilities suffered, sustained, paid or incurred by the Buyer, its affiliates or their respective representatives related to or in connection with the Lands from and solely to the extent arising after the Completion Date (the "**General Indemnity**"). The General Indemnity shall survive the Completion Date indefinitely.

(e) **COMPLETION:** The sale will be completed on the day that is twenty (20) days after waiver or satisfaction of the Court Condition and the Seller's Conditions (the "**Completion Date**"). Notwithstanding anything herein contained to the contrary, the Buyer and Seller acknowledge and agree that the Seller's solicitors will be responsible for filing the land title instrument vesting title to the Property in the name of the Buyer (but no other registrable instruments or forms) on the Completion Date.

*Deanne Butt
19.11.19
RMJ/inn*

(f) **AS IS – WHERE IS:** Notwithstanding any other provisions of this Agricultural Purchase Contract, the Buyer hereby acknowledges and agrees:

- a. the Lands are being purchased on an "as is, where is" basis as it exists as of the date of this Agricultural Purchase Contract and, on Closing, the Buyer will accept the Property in the state, and condition existing as of the date of this Agricultural Purchase Contract;
- b. it has undertaken to its satisfaction such searches, investigations, inspections and other due diligence in connection with entering into this Agricultural Purchase Contract and based solely thereon, has determined to proceed with the Transaction;
- c. all written and oral information provided by the Seller and its representatives and the Company to the Buyer in connection with the Lands has been provided for the convenience of the Buyer only and neither the Seller nor its representatives have made or are making any representation or warranty, express or implied, statutory or otherwise, as to the accuracy or completeness of any such information; and
- d. the Seller and its representatives have made and are making no representations, warranties, statements or promises whatsoever, express or implied, statutory or otherwise, with respect to the Lands, including without limitation with respect to: (i) warranty or condition of the Buyer's right, title and interest in or to the Lands; (ii) warranty or condition of merchantability, marketability, location, condition (including environmental condition), description, fitness for a particular purpose of the Lands; (iii) compliance or non-compliance with laws, regulations, including environmental rules; and (iv) warranty, condition or existence of any parts or components, latent defects, quality, quantity, encumbrances, liens or charges or any other thing affecting the Lands, including without limitation any environmental contamination or environmental liabilities affecting the Lands.

(g) **EXPENSES.** All costs and expenses, including fees, charges and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Note: this form must be signed by all parties to the Agricultural Purchase Contract

Dated at Welwyn Sask., 1pm, on February 14, 2025

Bruce Butt

The Seller:

BDO Canada Limited, in its sole capacity as
Receiver of certain property of Todd Bailey,
and not in its personal or corporate capacity

X R. McInnis

The Buyer:

X Dale M. Aubrey

Dated at Welwyn Sask., 1pm
on Feb. 14 2025

**FIRST AMENDMENT TO THE AGRICULTURAL PURCHASE
AGREEMENT**

THIS ASSIGNMENT MADE THIS 01st DAY OF FEBRUARY, 2025.

BETWEEN:

BDO CANADA LIMITED of the City of Calgary,
solely in its capacity as receiver of certain property
TODD BAILEY and not in its personal or corporate capacity
(hereinafter called the "Seller")

-and-

DALE MCAULEY AND ROSEMARIE MCGINN
both of the City of Okotoks, in the Province of Alberta
and their Nominee(s)
(hereinafter called the "Buyer")

(the "Parties")

WHEREAS the Parties entered into an Agricultural Purchase Agreement dated February 13,
2025 (the "**Purchase Agreement**");

AND WHEREAS the Parties have agreed amend the Purchase Agreement as contemplated
herein:

NOW THEREFORE IN CONSIDERATION of the sum of One Dollar (\$1.00) now paid by
each Party to the other and other good and valuable consideration, the receipt and sufficiency of
which are hereby acknowledged by the parties, the Parties agree as follows:

1. **Capitalized Terms.** Each capitalized term used herein which is defined in the Purchase Agreement and not otherwise defined herein will have the meaning given in the Purchase Agreement.
2. **Amendments.** The Parties hereby agree that, effective as of the date of this Agreement, the Purchase Agreement is hereby amended as follows:
 - a. **Section 1.1(e)** is amended to include those surface leases described in **Schedule "A"** hereto into the definition of "Assumed Tenancies";

First Amendment to the Agricultural Purchase Agreement
LEGAL 167556755 1

RM
W.M.

- b. **Section 9.1** is amended to attach and include the Surface Lease Schedule attached hereto as **Schedule "A"** to form part of the Purchase Agreement and the Surface Lease Schedule is incorporated in its entirety to form part of the Purchase Agreement;
 - c. **Section 9.1** is amended to attached and include the Assignment of Surface Agreements attached hereto as **Schedule "B"** to form part of the Purchase Agreement; and
- 3. **Time of the Essence.** Time is of the essence of the Purchase Agreement, as amended by this Agreement.
 - 4. **Interpretation.** This Agreement will, from the date of this Agreement, be read and construed together with the Purchase Agreement and be treated as part thereof, and the Purchase Agreement, as amended by this Agreement, will continue in full force and effect, binding upon the Parties, in accordance with the terms thereof and hereof.
 - 5. **Conflict.** In the case of any conflict between the terms and conditions of the Purchase Agreement and the terms and conditions of this Agreement, the terms and conditions of this Agreement will prevail.
 - 6. **Further Assurances.** Each Party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.
 - 7. **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and assigns of the Parties.
 - 8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Assignor and the Assignee have executed this Assignment the day and year first above written.

First Amendment to the Agricultural Purchase Agreement
LEGAL INSTRUMENT



BDO CANADA LIMITED
in its capacity as Receiver certain property
of TODD BAILEY and not in its personal
or corporate capacity
(Assignor)



Per: Breanne Scott

(Assignee)


DALE MCAULEY


ROSEMARIE MCGINN

First Amendment to the Agricultural Purchase Agreement
LEGAL #67486555 1

SCHEDULE "A"
SURFACE LEASE SCHEDULE

<u>File No.</u>	<u>Agreement Description</u>	<u>Legal Description</u>	<u>Purpose</u>
S17928	Alberta Surface Lease Agreement dated October 12, 2000, between Bernard J Brown and Margaret A Brown, both of Okotoks, Alberta, as Lessor and Talisman Energy Inc. a body corporate, having an office in the City of Alberta, as Lessee	TWP 18 RGE 2 W5M NW 33	Wellsite and Access Road
S18077	Alberta Surface Lease dated September 2, 1975, between Sheep Creek Ranch Ltd. of Black Diamond, in the Province of Alberta, a body corporate, as Lessor and Western Decalta Petroleum Limited, a body corporate incorporated under the federal laws of Canada, as Lessor	TWP 18 RGE 2 W5M NW 33	Wellsite

iCloud Mail

First Amendment to the Agricultural Purchase Agreement
LEGAL 167586055.1

3/2/25, 11:07 PM

<https://www.icloud.com/mail/>

SCHEDULE "B"
ASSIGNMENT OF SURFACE AGREEMENTS

See attached.

First Amendment to the Agricultural Purchase Agreement
LEGAL'S 585055.1

LO. M^c.
B.A.

ASSIGNMENT OF SURFACE AGREEMENTS

THIS ASSIGNMENT MADE THIS ●TH DAY OF FEBRUARY, 2025.

BETWEEN:

BDO CANADA LIMITED of the City of Calgary,
solely in its capacity as receiver of certain property
TODD BAILEY and not in its personal or corporate capacity
(hereinafter called the "Assignor")

-and-

DALE MCAULEY AND ROSEMARIE MCGINN
both of the City of Okotoks, in the Province of Alberta
(hereinafter called the "Assignee")

(the "Parties")

WHEREAS the Assignor is entitled to the rights and benefits under the Alberta Surface Lease Agreements described in **Schedule "A"** hereto (hereinafter called the "Surface Agreements");

AND WHEREAS the Parties entered into an Agricultural Purchase Agreement dated February 13, 2025 (the "**Purchase Agreement**");

AND WHEREAS pursuant to the Purchase Agreement the Assignor has agreed to assign the Surface Agreements to the Assignee;

AND IN CONSIDERATION of the sum of One Dollars (\$1.00) now paid by the Assignee to the Assignor (the receipt of which is acknowledged) and other and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Assignor does hereby assign to the Assignee all of its interest in the Surface Agreements.

THE ASSIGNOR AND THE ASSIGNEE AGREE AS FOLLOWS:

1. Subject to the performance of the terms of the Surface Agreement, the Assignee shall be entitled to the rights of the Surface Agreement for its own benefit without any interruption by the Assignor or any person claiming an interest through the Assignor.

Assignment of Surface Lease Assignment Agreements
1/1/2025 10:28:10 AM

2. This Assignment shall be effective as of the Effective Date (as defined in the Purchase Agreement) .
3. This Assignment shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF the Assignor and the Assignee have executed this Assignment the day and year first above written.

BDO CANADA LIMITED
in its capacity as Receiver certain property
of **TODD BAILEY** and not in its personal
or corporate capacity
(Assignor)



Per: Breanne Scott

(Assignee)


DALE MCAULEY
ROSEMARIE MCGINN

Assignment of Surface Lease Assignment Agreements
FILE: 187591697

ALBERTA SURFACE LEASE AGREEMENT

This Indenture of Lease made the 12 day of October, 2000.

BETWEEN:

**BERNARD J. BROWN AND MARGARET
A. BROWN** of Okotoks in the Province of
Alberta, (hereinafter called the "Lessor")

- and -

TALISMAN ENERGY INC., a body
corporate, having an office at the City of
Calgary, in the Province of Alberta (hereinafter
called the "Lessee")

WHEREAS the Lessor is the registered owner (or entitled to become the registered owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificate of Title of and in that certain parcel of land situate, lying and being in the Province of Alberta and described as follows:

**MERIDIAN 5 RANGE 2 TOWNSHIP 18
SECTION 33**

**QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:**

PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0011043	1.815	4.48	

**EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE
SAME**

AS MORE PARTICULARLY DESCRIBED IN CERTIFICATE OF TITLE NO. 001 110 622 +13
(hereinafter referred to as the "said lands");

AND WHEREAS the Lessor has agreed to lease and grant a certain portion of the said lands to the Lessee for the purposes and upon the terms and conditions hereinafter set forth;

NOW THEREFORE THIS INDENTURE WITNESSESS THAT:

The Lessor, in consideration of the compensation set out herein, hereby leases to the Lessee all and singular those parts or portions of the said lands shown outlined in red on the sketch or plan on Schedule "A" attached hereto and forming part of this Agreement (hereinafter called "the leased premises"), to be held by the Lessee as tenant for the term of twenty (20) years from the date hereof for any and all purposes and uses as may be necessary for the exploration, development and production of oil, gas, related hydrocarbons or substances produced in association therewith, remediation and reclamation.

YIELDING AND PAYING UNTO THE LESSOR:

(a) First Year Compensation

For the first year, the sum of Ten Thousand & Eighty Four
(\$ 10,084) dollars, (the receipt of which is hereby acknowledged), which sum includes full compensation for the rights granted herein including the first year annual compensation.

(b) Annual Compensation

Annual compensation payable for each subsequent year after the first year in advance of the anniversary of the date of this Lease Agreement (hereinafter called "Annual Compensation"), in the sum of Ten Thousand Seven Hundred & Twenty Four
(\$ 2,724) dollars.

Any additional terms or conditions as may be agreed to by the Lessor and the Lessee shall be attached as Schedule "B" and shall form part of this Agreement.

THE LESSOR HEREBY COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Quiet Enjoyment

The Lessor has the right to lease the lands to the Lessee. The Lessee, if not in default, has the right to occupy and use the leased premises without interruption or disturbances from either the Lessor or any other persons claiming by, through or under the Lessor.

2. Renewal

If the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease Agreement at the date of expiration of the term of Twenty (20) years hereinbefore mentioned, then this Lease Agreement shall be renewed automatically and the term extended for a further period of Twenty (20) years at an Annual Compensation calculated from time to time as hereinafter provided for the term subsequent to the first year hereof. Such extended term shall be subject to all provisions hereof, including this provision for renewal.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

3. Indemnification

The Lessee shall indemnify and save harmless the Lessor from and against any and all claims or demands that may result from the Lessee's use and occupation of the leased premises, other than through willful damage or gross negligence by the Lessor.

4. Fencing

During the continuance of this Lease Agreement, the Lessee shall erect and put upon the boundaries of the leased premises and roadways constructed or placed by the Lessee on the leased premises a good substantial fence, if reasonably required by the Lessor or the Lessee, and replace all fences which the Lessee may have required removed for its purposes and repair all fences which it may have damaged, and if and when so reasonably required by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it and, upon the use thereof, to close all gates.

5. Roadways

The Lessee shall if reasonably required by either party, ensure that any roadway on the leased premises is constructed to a low profile unless topography of land dictates otherwise.

6. Culverts

The Lessee shall construct and maintain culverts and other structures on the leased premises as reasonably required to ensure the unimpeded flow of water through natural drainage courses.

7. Weeds

The Lessee shall control all weeds on the leased premises but in so doing, will not use a soil sterilant without the written consent of the Lessor.

8. Topsoil

The Lessee shall conserve and preserve the topsoil as required from the leased premises, having regard to good soil conservation practices.

9. Compensation for Damages

The Lessee shall pay compensation for damage done by its servants and agents which, without restricting the generality thereof, shall include crops, machinery, livestock, fences, buildings, or other improvements of the Lessor upon the said lands other than the leased premises.

**THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE
EACH WITH THE OTHER AS FOLLOWS:**

10. Repair, Remove or Replacement of Equipment

The Lessee may at all times during the continuance of this Lease Agreement remove or replace any buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind which it may have placed on or in the leased premises or in any area to be surrendered.

11. Taxes

The Lessor and the Lessee shall each promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands as a result of their respective use and occupation of the said lands.

12. Compliance with Laws and Regulations

The Lessor and the Lessee shall comply with all applicable laws and regulations as may be in force from time to time, and any other Act pertaining to the activities herein and the regulations passed thereunder.

13. Review of Annual Compensation

The Annual Compensation shall be reviewed in accordance with the applicable legislation.

14. Surrender and Reclamation

The Lessee may, upon written notice to the Lessor, surrender the whole or any part of the rights herein granted. The Lessee shall, upon the termination of the use and occupation of the whole or any portion of the demised premises and the surrender of the whole or any part of the rights herein granted, reclaim and deliver up to the Lessor the demised premises or any portion thereof in accordance with applicable laws and regulations.

Where the demised premises or any portion thereof was treed prior to entry or was otherwise in a natural state, the Lessee may, at its option, return the demised premises or such portion thereof to the Lessor in a state equivalent to newly broken land.

Upon abandonment of the well and restoration of the Surface, the annual compensation will be reduced to reflect crop loss only. This reduced annual compensation will continue to be paid until the Reclamation Certificate is issued.

15. Access to Adjacent Premises for Environmental Testing

The Lessee shall have access to the adjacent premises for, among other things, conducting soil, ground-water, environmental or other tests, measurements or surveys.

16. Discharge of Encumbrances

The Lessee may, at its option, pay or discharge all or any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account the repayment of the amount so paid by it, the rates or other sum accruing to the Lessor under the terms of this Lease Agreement.

17. Assignment

17.1 The Lessee or the Lessor may delegate, assign or convey to other persons, corporations or agents all or any of the powers, rights and interests obtained by or conferred upon the Lessee or the Lessor herein, any may enter into all agreements, contracts, and writings and do all necessary acts and things to give effect to the provisions of this clause.

17.2 No delegation, assignment or conveyance by the Lessor or the Lessee is effective or binding upon the other party until the other party has received notice of the assignment, which notice shall include the name and address of the assignee.

18. Default

Notwithstanding anything herein contained to the contrary, the Lessee shall not be in default in the performance of any of its covenants or obligations under this Lease Agreement, including the payment of compensation unless and until the Lessor has notified the Lessee of such default and the Lessee has failed to commence action to remedy the same within thirty (30) days of the receipt of such notice. For the purpose of this clause, a letter by the Lessee of its intent to remedy a default shall constitute a commencement of action to remedy the said default.

19. Arbitration

In the event the parties are unable to agree on any matter arising under this Agreement, either party may serve the other party written notice that it wishes the matter referred to arbitration, and the parties shall, within ten (10) days of delivery of the notice, select an arbitrator ("Arbitrator"). If the Parties cannot reasonably agree on the appointment of the Arbitrator, the Parties shall each appoint an umpire and an Arbitrator shall be appointed by the aforesaid umpires and if the umpires are unable to agree on an Arbitrator, either party may apply to a judge of the Court of Queen's Bench of Alberta for the appointment of an Arbitrator. Within five (5) days of the selection of the Arbitrator, each party shall deliver to the Arbitrator its methodology and reasoning supporting its conclusions.

The Arbitrator shall, as soon as practicable, arrive at its final decision and shall communicate such decision to the parties, who agree with the other that the decision of the Arbitrator shall be binding. The cost of the Arbitrator shall be apportioned between the parties as the Arbitrator may decide.

Except to the extent modified in this clause, the Arbitrator shall conduct any arbitration hereunder pursuant to the provisions of the *Arbitration Act* (Alberta).

20. Notices

20.1 All notices to be given herein shall be in writing.

20.2 All notices to be given herein may be given personally, or by letter addressed to the party to whom the notice is to be given. Any such notice shall be deemed to be given to, and received by, the addressee ten (10) days after the mailing thereof, if mailed postage prepaid.

21. Address

Unless changed by written notice, the addresses of the parties hereto shall be:

Lessee: Talisman Energy Inc.
Suite 3400
888 3rd Street SW
Calgary AB T2P 5C5

Attention: Supervisor, Surface Land

Lessor: Bernard J. Brown and Margaret A. Brown
PO Box 431
Okotoks, AB
T0L 1T0

22. Enurement

These presents and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators, successors and assigns and upon the Lessee, its successors and assigns.

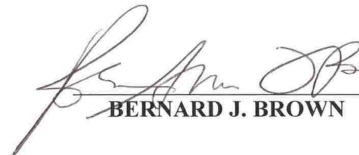
IN WITNESS WHEREOF the Lessor has hereunto set his hand and seal and the Lessee has duly executed this Lease Agreement the day and year first above written.

LESSOR

WITNESS 

WITNESS 

RANDY MacDONALD
SEAMAC LAND SERVICES LTD.



BERNARD J. BROWN


MARGARET A. BROWN

LESSEE

TALISMAN ENERGY INC.

Per:


J.C. (JERRY) HAGEN
Supervisor, Surface Land

CONSENT OF SPOUSE

I, _____ being married to the within named _____ do hereby give my consent to the disposition of our homestead made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by the *Dower Act*, to the extent necessary to give effect to the said disposition.

CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE

1. This document was acknowledged before me by _____, apart from her husband/his wife.
2. _____ acknowledged to me that she/he:
 - (a) Is aware of the nature of the disposition;
 - (b) Is aware that the *Dower Act*, gives her/him a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
 - (c) Consent to the disposition for the purposes of giving up the life estate and other dower rights in the homestead given to her/him by the *Dower Act*, to the extent necessary to give effect to the said disposition;
 - (d) is executing the document freely and voluntarily without any compulsion on the part of her husband/his wife.

DATED at _____, in the Province of Alberta this _____ day of _____, 2000.

A Commissioner for Oaths in and for the
Province of Alberta

DOWER AFFIDAVIT

CANADA

PROVINCE OF ALBERTA

TO WIT:

I, _____, of _____, in the
Province of Alberta, _____ (Occupation), make oath and say:

I am the Lessor in the within instrument.

I am not married.

or

Neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

SWORN before me at _____
in the Province of Alberta, this _____
day of _____, 2000

A Commissioner for Oaths in and for the
Province of Alberta

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

I, RANDALL B. MACDONALD, of Calgary in the Province of Alberta

(Occupation), made oath and say:

1. THAT I was personally present and did see BERNARD J. BROWN AND MARGARET A. BROWN named in the within instrument, who is (are) personally know to me to be the person(s) named therein, duly sign, seal and execute the same for the purpose named therein.
2. THAT the same was executed at or near Tarry Haines, in the Province of Alberta, and that I am the subscribing witness thereto.
3. THAT I know the said BERNARD J. BROWN AND MARGARET A. BROWN and he (or she) is (or they are each), in my belief, of the full age of eighteen years.

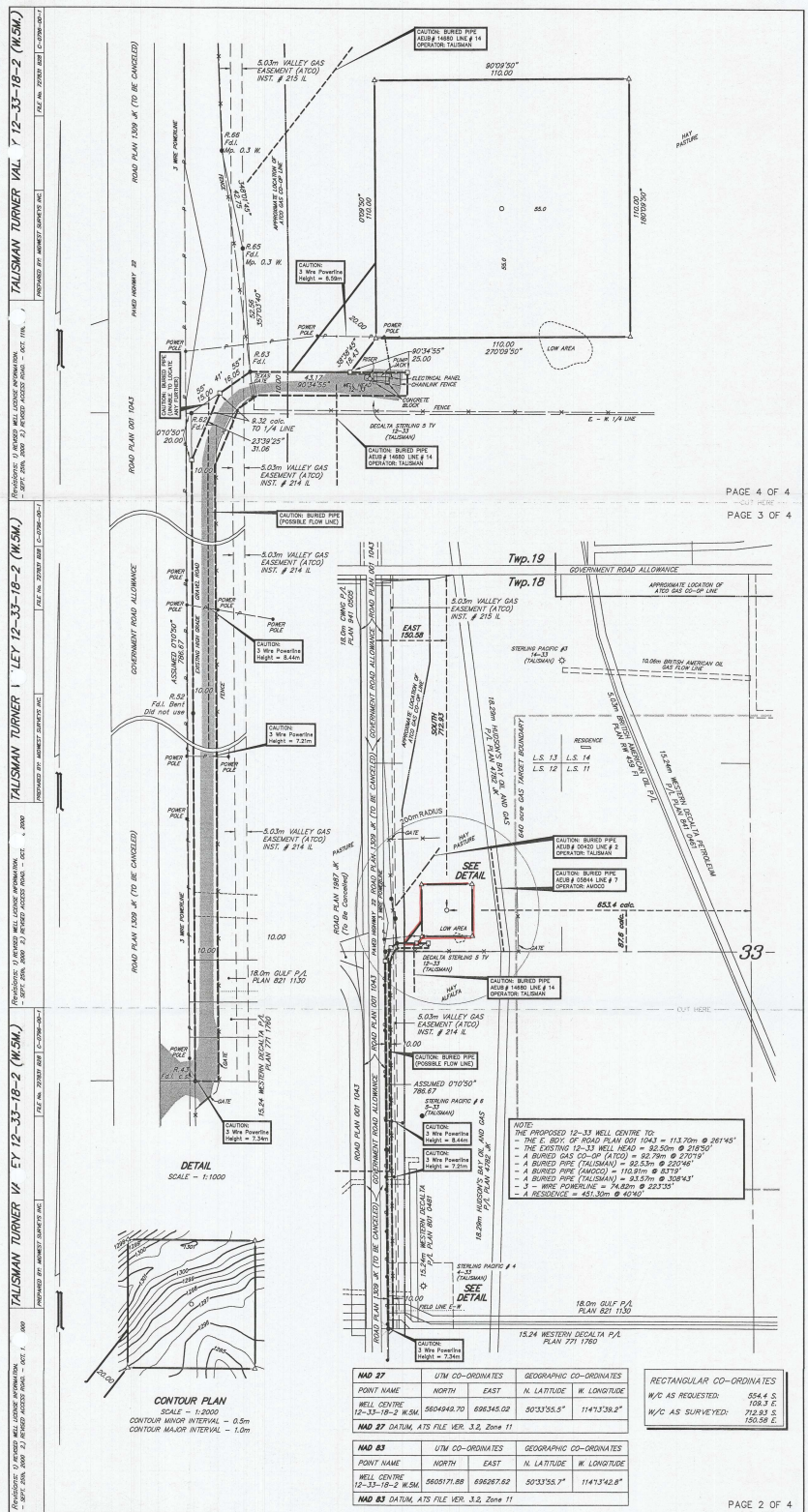
SWORN before me at Tarry Haines
in the Province of Alberta, this 12
day of October, 2000

Christopher John Lizotte
A Commissioner for Oaths in and for the
Province of Alberta

CHRISTOPHER JOHN LIZOTTE
Commissioner for Oaths in and for
The Province of Alberta
Commission Expires May 9, 20 03

CHRISTOPHER JOHN LIZOTTE
Commissioner for Oaths in and for
The Province of Alberta
Commission Expires May 9, 20

FRANK J. B. MCDONALD



Revision # 2
TALISMAN TURNER VALLEY 12-33-18-2
 Well Site and Access Road
 L.S. 12 Sec. 33 Twp. 18 Rge. 2 W.5M.

MUNICIPAL DISTRICT OF FOOTHILLS No. 31
 1. Digne M. Raul, Alberta Land Surveyor, Calgary, Alberta, certify that the survey represented by this plan is true and correct to the best of my knowledge and belief and was carried out in accordance with the Alberta Land Surveyors Association Manual of Standard Practice, and was published on the 12th day of August, 2000.

ALBERTA LAND SURVEYORS ASSOCIATION
 REG. NO. 12345
 REG. NO. 12345
 REG. NO. 12345

MIDWEST SURVEYS INC.
 THE PROPOSED WELL CENTRE IS:
 - Outside any potential coal development area
 - At least 15 m from the Corporate Limits of a CDN Town, Village or Hamlet
 - At least 100m from the Ordinary High Water Mark or any other water body
 - At least 100m from any surface improvements
 - At least 5.0 km from a lighted aerodrome
 - At least 1.6 km from any navigable aerodrome
 - At least 200m from any radio, cellular or military buildings
 - Approximately 450m from the nearest residence (N/E 1/4 33-18-2 W.5M.)
 - Approximately 3.85 km from the nearest urban centre (Calgary)

UTM CO-ORDINATES
 POINT NAME NORTH EAST N. LATITUDE W. LONGITUDE
 WELL CENTRE
 12-33-18-2 W.5M. 5804842.02 696345.02 50°33'55.5" 114°13'38.2"
 NAD 83 DATUM, ATS FILE VER. 3.2, Zone 11

RECTANGULAR CO-ORDINATES
 W/C AS REQUESTED: 554.4 S, 108.7 E, 712.83 S, 150.56 E
 W/C AS SURVEYED: 554.4 S, 108.7 E, 712.83 S, 150.56 E

ELEVATIONS: 1297.29 Well Centre Ground
 Well Site Corner Elevations: 554.4 S, 1298.00 N.E. 1300.10 S.W. 1296.97 S.E. 1296.46

AREAS:
 N.W. 1/4 Sec. 33 1.210 2.99
 Access Road: Within Existing 12-33 A/R 0.085 0.21
 Without Existing 12-33 A/R 0.078 0.19
 Sub-Total: 1.373 3.39
 S.W. 1/4 Sec. 33: Access Road: Within Existing 12-33 A/R 0.142 0.35
 Without Sterling Pacific # 4 0.666 1.65
 Sub-Total: 0.808 2.00
 Total: 2.181 5.39

ACCESS SKETCH
 SCALE = 1:250,000

CONTOUR PLAN
 SCALE = 1:2000
 CONTOUR MINOR INTERVAL = 0.5m
 CONTOUR MAJOR INTERVAL = 1.0m

DETAIL
 SCALE = 1:1000

RESIDENCE SKETCH
 SCALE 1:30000
 DENOTES ACCURACY

TALISMAN ENERGY

FILE No. 727831 828 C-0796-00-1

PAGE 4 OF 4
 PAGE 3 OF 4

PAGE 2 OF 4
 PAGE 1 OF 4

ALBERTA SURFACE LEASE AGREEMENT

This Indenture of Lease made the 12 day of October, 2000.

BETWEEN:

**BERNARD J. BROWN AND MARGARET
A. BROWN** of Okotoks in the Province of
Alberta, (hereinafter called the "Lessor")

- and -

TALISMAN ENERGY INC., a body
corporate, having an office at the City of
Calgary, in the Province of Alberta (hereinafter
called the "Lessee")

WHEREAS the Lessor is the registered owner (or entitled to become the registered owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificate of Title of and in that certain parcel of land situate, lying and being in the Province of Alberta and described as follows:

**MERIDIAN 5 RANGE 2 TOWNSHIP 18
SECTION 33
QUARTER NORTH WEST
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:**

PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0011043	1.815	4.48	

**EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE
SAME**

AS MORE PARTICULARLY DESCRIBED IN CERTIFICATE OF TITLE NO. 001 110 622 +13
(hereinafter referred to as the "said lands");

AND WHEREAS the Lessor has agreed to lease and grant a certain portion of the said lands to the Lessee for the purposes and upon the terms and conditions hereinafter set forth;

NOW THEREFORE THIS INDENTURE WITNESSES THAT:

The Lessor, in consideration of the compensation set out herein, hereby leases to the Lessee all and singular those parts or portions of the said lands shown outlined in red on the sketch or plan on Schedule "A" attached hereto and forming part of this Agreement (hereinafter called "the leased premises"), to be held by the Lessee as tenant for the term of twenty (20) years from the date hereof for any and all purposes and uses as may be necessary for the exploration, development and production of oil, gas, related hydrocarbons or substances produced in association therewith, remediation and reclamation.

YIELDING AND PAYING UNTO THE LESSOR:

(a) First Year Compensation

For the first year, the sum of Ten Thousand & Eighty Four
(\$ 10,084) dollars, (the receipt of which is hereby acknowledged), which sum includes full compensation for the rights granted herein including the first year annual compensation.

(b) Annual Compensation

Annual compensation payable for each subsequent year after the first year in advance of the anniversary of the date of this Lease Agreement (hereinafter called "Annual Compensation"), in the sum of Two Thousand Seven Hundred & Twenty Four
(\$ 2,724) dollars.

Any additional terms or conditions as may be agreed to by the Lessor and the Lessee shall be attached as Schedule "B" and shall form part of this Agreement.

m *Bj* *mb*

THIS INDENTURE OF LEASE made ^{as of} the 2nd day of September A.D., 19 75

BETWEEN: SHEEP CREEK RANCH LTD. of Black Diamond, in the Province of Alberta, a body corporate, incorporated under the laws of the Province of Alberta (hereinafter called "the Lessor")

-and-

WESTERN DECALTA PETROLEUM LIMITED, a body corporate, incorporated under the laws of the Dominion of Canada, (hereinafter called "the Lessee")

WHEREAS the Lessor is the registered owner (or entitled to become the registered owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificates of Title of and in those certain parcels or tracts of land situate, lying and being in the Province of Alberta and described as follows:

The South Half of Section Four (4) in Township Nineteen (19) Range Two (2) West of the Fifth Meridian in the Province of Alberta, as shown on the township plan approved at Ottawa 7 December 1899, containing in the South East Quarter One Hundred and Sixty One and Eighty Hundredths (161.80) acres more or less and in the South West Quarter One Hundred and Sixty One and Thirty Four Hundredths (161.34) acres more or less, and Excepting Firstly....out of the South West Quarter that portion as shown on Plan.... 7656 E.P., containing Five (5) acres more or less, and Secondly....Out of the South East Quarter the West Half of Legal Subdivision One (1) and all of Legal Subdivision Two (2), and Reserving unto Her Majesty all mines and minerals, and

The North West Quarter of Section Thirty Three (33) in Township Eighteen (18) Range Two (2) West of the Fifth Meridian in the Province of Alberta containing One Hundred and Sixty (160) acres more or less. Reserving unto the Calgary & Edmonton Corporation Limited all minerals and the right to use so much of the said land or the surface thereof as the Calgary and Edmonton Land Company Limited or its assigns may consider necessary for the purpose of working and removing the said minerals, and

The South West Quarter of Section Nine (9) in Township Nineteen (19) Range Two (2) West of the Fifth Meridian in the Province of Alberta, containing One Hundred and Sixty (160) acres more or less, and Excepting thereout that portion which lies to the west of the roadway as shown on Plan....2014 E.Z., containing twenty and twenty five hundredths (20.25) acres more or less, and Excepting thereout all mines and minerals, and the right to work the same (hereinafter referred to as "the said lands"); and

WHEREAS the Lessor has agreed to lease and grant certain portions of the said lands to the Lessee for the purposes and upon the terms and conditions hereinafter set forth:

NOW THEREFORE THIS INDENTURE WITNESSETH:

THE LESSOR, at the rental hereinafter set forth, HEREBY LEASES to the Lessee all and singular those parts or portions of the said lands shown outlined in red on the sketches or plans hereto attached (hereinafter called "the demised premises"), to be held by the Lessee as tenant for the term of Twenty-five (25) years from the date hereof for any and all purposes and uses as may be necessary or useful in connection with all its operations.

THE LESSOR acknowledges and confirms that those portions of the said lands shown outlined in red on the Plans attached hereto have not been surveyed in all instances and the description thereof may not be exactly as described; however the Lessor is aware of the actual location of each well site and access road described and confirms that for the purposes of this agreement the rights granted hereunder shall apply and pertain to the wellsites and access roads as they presently exist in fact.

(a) for the first year the sum of Two Thousand (\$2,000.00) dollars, (the receipt of which sum is hereby acknowledged), which sum includes compensation in full for rental, severance, inconvenience, and damage done to the demised premises as follows:
 (i) rental two Thousand (\$2,000.00) (dollars)
 (ii) compensation for severance, inconvenience, and damage to the demised premises _____ (dollars)
 (b) for each subsequent year the sum of two Thousand (\$2,000.00) (dollars) payable annually in advance of the anniversary of the date hereof in each year during the currency hereof.

THE LESSOR HEREBY COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. TAXES PAID BY LESSOR:

That the Lessor will promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this lease save where such are to be paid by the Lessee.

2. QUIET ENJOYMENT:

That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to grant and Lease the said lands, rights and privileges in manner aforesaid, and that the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person claiming by, through or under the Lessor.

3. RENEWAL:

That if the Lessee be not in default in respect of any of the covenants and conditions contained in this Lease at the date of expiration of the term of Twenty-five (25) years hereinbefore mentioned then this Lease shall be renewed automatically and the term extended for a further period of Twenty-five (25) years at an annual rental calculated from time to time as hereinafter provided for that portion of the term subsequent to the first year thereof. Such extended term shall be subject to all the provisions hereof including this provision for renewal.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

4. FENCING:

During the continuance of this Lease, to erect and put upon the boundaries of the sites and roadways constructed or placed by the Lessee on the demised premises a good substantial fence if so requested by the Lessor, or if required by the Lessee, and to replace all fences which the Lessee may have removed for its purposes and repair all fences which it may have damaged, and if and when so required by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it and, upon the use thereof, to close all gates.

5. TAXES PAYABLE BY LESSEE:

To pay all taxes, rates and assessments that may be assessed or levied in respect to any and all machinery, equipment, structures and works placed by the Lessee, in, on, over or under the said lands.

6. COMPENSATION FOR DAMAGES:

To pay compensation for damage done by its servants, agents or assigns which without restricting the generality thereof shall include growing crops, fences, buildings or other improvements of the Lessor upon the said lands other than the demised premises.

7. ABANDONMENT AND RESTORATION

To restore the said lands upon termination or surrender of this lease in accordance with all applicable laws, orders and regulations.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

8. REVIEW OF RENTAL:

Notwithstanding anything contained in this Lease, upon the request of either party to this Lease, the amount of rent payable in respect to the demised premises shall be subject to review at the end of five years from the date hereof and at the end of each succeeding five year period. Such request shall be in writing and given to the other party at least ninety (90) days prior to the commencement of the period in respect of which the review of rent is sought. In case of any disagreement as to the amount of rent to be payable or any other matter in connection therewith, the same shall be determined by the arbitration legislation in force.

9. SURRENDER:

The Lessee shall have the right at any time and from time to time to surrender and terminate this Lease by written notice to the Lessor, provided however that there shall be no refund to the Lessee of any rental which may have been paid in advance.

10. REDUCTION OF ACREAGE:

Notwithstanding anything in the immediately preceding clause hereof contained, the Lessee may from time to time and at any time surrender any part or portion of the demised premises by giving the Lessor a revised plan of the portion or portions thereof retained, and provided that the rental shall be no less than hereinbefore provided.

11. REMOVAL OF EQUIPMENT:

The Lessee may at all times during the continuance of this lease remove or cause to be removed from the demised premises all buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind which it may have placed on or in the demised premises or in any area to be surrendered.

12. DISCHARGE OF ENCUMBRANCES:

The Lessee may at its option pay or discharge all or part of any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the Lessee shall be subrogated to the rights of the holder or holders hereof, and may in addition thereto, at its option, reimburse itself by applying on account of repayment of the amount so paid by it the rentals or other sums accruing to the Lessor under the terms of this Lease.

13. ASSIGNMENT BY LESSEE:

The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights, and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts, and writings and do all necessary acts and things to give effect to the provisions of this clause.

14. DEFAULT:

Notwithstanding anything herein contained to the contrary, the Lessee shall not be in default in the performance of any of its covenants or obligations under this Lease, including the payment of rental unless and until the Lessor has notified the Lessee of such default and the Lessee has failed to commence action to remedy the same, within thirty (30) days of the receipt of such notice.

15. NOTICES:

All notices to be given hereunder may be given personally or be registered letter addressed to the party to whom the notice is to be given, and when mailed, any such notice shall be deemed to be given to, and received by, the addressee Seven (7) days after the mailing thereof, postage prepaid.

16. ADDRESSES:

Unless changed by written notice the addresses of the parties hereto shall be:

Lessee: Western Decalta Petroleum Limited
8th Flr., 630 - 6th Avenue, S. W.
CALGARY, Alberta T2P 0T2

Lessor: Sheep Creek Ranch Ltd.
Black Diamond, Alberta

These presents and everything herein contained shall inure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators, successors and assigns and upon the Lessee, its successors and assigns.

IN WITNESS WHEREOF the Lessor has hereunto set his hand and seal and the Lessee has caused its corporate seal to be hereunto affixed attested by the hands of its proper officers duly authorized in that behalf, the day and year first above written.

SIGNED, SEALED AND DELIVERED
By the above named Lessor in
the presence of:

SHEEP CREEK RANCH LTD.

H. W. Roemer

WESTERN DECALTA PETROLEUM LIMITED

[Signature]
CHAIRMAN

[Signature]
PRESIDENT

CONSENT BY OCCUPANT, VENDOR, MORTGAGEE OR OTHER INTERESTED PARTY:

WE, MILO GEAHARD BANGS otherwise known as MILO BANGS and ANNIE HELEN BANGS of HIGH RIVER in the Province of Alberta having an interest in the within lands by virtue of an Agreement or Instrument dated the 23rd day of June, A.D. 1967 DO HEREBY AGREE that all of our rights, interests and estate which are, or may be, affected by the ^{affected} ~~above~~ Surface Lease shall be fully bound by all the terms and conditions thereof both now and henceforth.

DATED at Calgary in the Province of Alberta this 29th day of January, A.D. 1976.

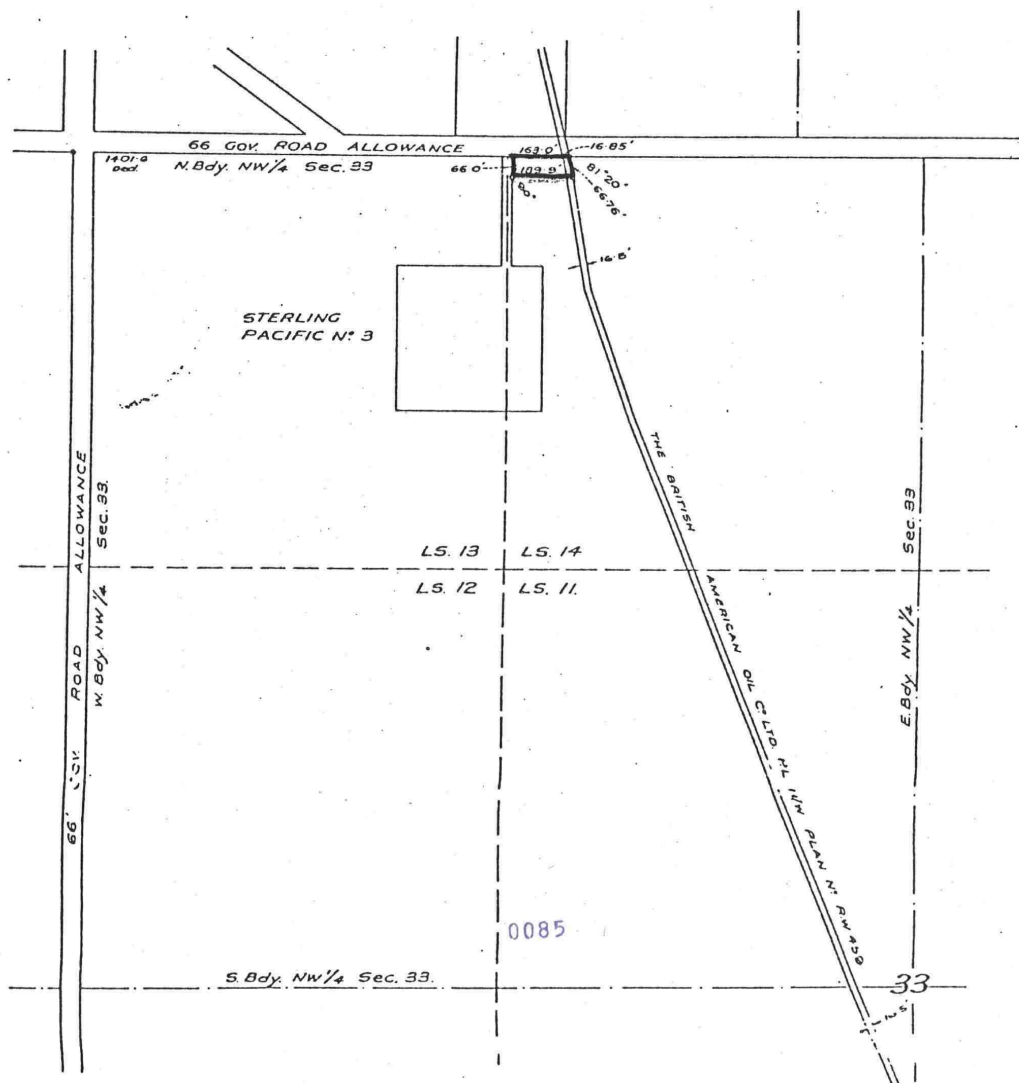
Witness

L. J. Brown

A. H. Bangs
Milo Bangs

MADISON NATURAL GAS COMPANY LIMITED
 LINE HEATER & ROADWAY LOCATION
 NW 1/4 Sec. 33-Twp. 18-Range 2 W 5th.

Scale: 500 Ft. to 1 inch.



AREA REQUIRED 0.28 ACRES

Plan of survey compiled by The Royalite Oil
 Company, Limited. Oct 8th 1965

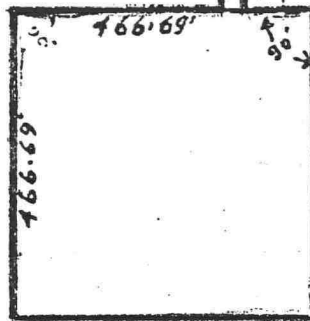
• Survey monuments shown thus.

ROAD

ALLOWANCE

1305'

Easement For Road Rt of Way



STERLING PACIFIC No.3
WELL SITE

Area referred to outlined in red.

Area in Sterling Pacific No.3 wellsite = 5.00 Ac.

Area in Sterling Pacific No.5 wellsite = 2.00 Ac.

Area in roadway = 0.21 Ac.

NW 1/4 SEC. 33. TP. 18, RG. 2, W. 5.

0086

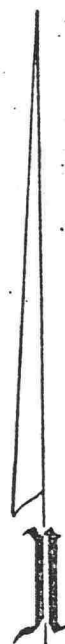
STERLING PACIFIC No.5
WELL SITE

ROYALTY OIL COMPANY, LIMITED TURNER VALLEY

SW. $\frac{1}{4}$ Sec. 9, Tp. 19, Rge. 2 W.5 M.

Plan Showing
Location of and Acreage in
Well Site, Access Road & Production Site

Scale : 400 feet to 1 inch



20.49.5
5.006°30' W.
Regd. Highway Plan 2014 E.Z.

N. 85°51'30" E.
196.5

N. 85°53'30" E.
230.0

3.0°05'30' W.
541.5

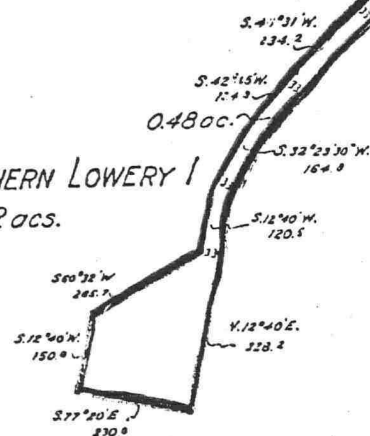
SOUTHERN LOWERY 3
6.44 acs.

0087

SOUTHERN LOWERY 1
1.32 acs.

0.48 acs.

COMMONWEALTH 2
Well Site 0.35 ac.
Access Road 0.11 ac.



Surveyed May 1954
SIMPSON ELEVATION CO. LIMITED

ROYALTY OIL COMPANY, LIMITED
TURNER VALLEY

SW. $\frac{1}{4}$ Sec. 9, Tp. 19, Rge. 2 W.5 M.

Plan Showing
Location of and Acreage in
Well Site, Access Road & Production Site

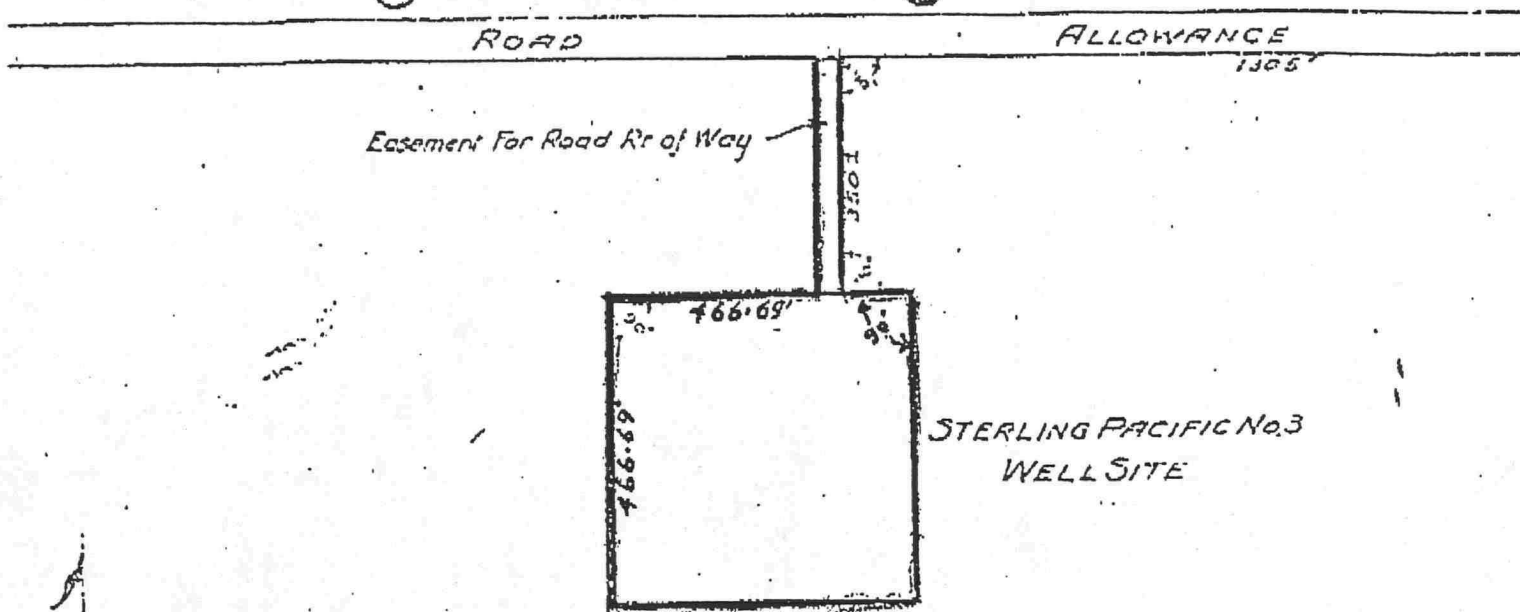
Scale : 400 feet to 1 inch

COMMONWEALTH 2
Well Site 0.35 ac.
Access Road 0.11 ac.

0021
SOUTHERN LOWERY 1
1.32 acs.

SOUTHERN LOWERY 3
6.44 acs.

Surveyed May 1954
SIMPSON ELEVATION CO. LIMITED



Area referred to outlined in red.

Area in Sterling Pacific No.3 wellsite = 5.00 Ac.

Area in Sterling Pacific No.5 wellsite = 2.00 Ac.

Area in roadway = 0.21 Ac.

NW 1/4 SEC. 33. TP. 18, RG. 2, W. 5.

0022



STERLING PACIFIC No.5 WELL SITE

APPENDIX “D”

**In the Matter of the Receivership of
Certain Property of Todd Bailey
Interim SRD**

Receipts

Receiver's borrowings	\$	50,000
Surface rental income		7,724
Interest earned		271
		<hr/>
		57,995

Disbursements

Property taxes		22,299
Insurance		13,292
Property inspector fee		3,549
Utilities		614
OR filing fees		80
		<hr/>
		39,834

Cash in trust at February 28, 2025

\$ 18,161

APPENDIX “E”

**In the Matter of the Receivership of
Certain Property of Todd Bailey
Projected SRD**

Cash in trust at February 28, 2025

\$ 18,161

Projected Receipts

Sale of Property (Note 1)

Surface rental income (Note 2)

1,354
1,701,354

Projected Disbursements

Repayment of receiver's borrowings (Note 3)

Commission paid to realtor (Note 4)

Property Inspector fee (Note 5)

Property tax (Note 6)

Utilities (Note 7)

GST on disbursements (Note 8)

Receiver fees:

WIP/Unpaid professional fees

Estimate to close

Legal counsel fees:

WIP/Unpaid professional fees

Estimate to close

50,000
3,125
1,868
500
52,463
15,000
22,287
40,000
231,131

Estimated distribution to RBC

Notes to Projected / Estimated Figures

Note 1: Based on the purchaser price pursuant to the Proposed Transaction, with closing on April 11, 2025.

Note 2: Estimated additional surface rental income attributable to the Receivership up to closing of the Proposed Transaction.

Note 3 - Receiver's borrowings of \$50,000 to be repaid to RBC.

Note 4: The realtor commission consists of a flat fee of \$10,000 plus an extra commission of 3.5% on the first \$100,000 of the sale price, plus 1.5% on the remaining balance.

Note 5: Mr. Brokop is compensated at a rate of \$125 per visit to ensure the property is properly maintained. It is assumed that inspections will occur every two days from February 21, 2025, to April 11, 2025, totaling 25 visits at \$125 per visit.

Note 6: Estimated additional property taxes payable prior to or upon closing of the Proposed Transaction.

Note 7: Estimated utilities to closing of the Proposed Transaction.

Note 8: GST to be paid on disbursements.