

OFFER TO PURCHASE FOR THE EN BLOC

BY AND BETWEEN:

SMOKY RIVER RANCHING LTD. & LARRY DRYSDALE

(the "**Vendor**")

AND

(the "**Purchaser**")

1. The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor the property legally described in the attached Schedule "A" (the "**Property**").
2. The Vendor further agrees to assign to the Purchaser and the Purchaser agrees to accept such assignment for Grazing Lease No. GRL-39556 (the "**Leased Lands**") as a condition to the sale of the Property to the Purchaser.
3. The Purchaser hereby offers to purchase the Property and rights to the Leased Lands for the sum of the Closing Bid (for Parcels 1 through 7) on the CLHbid.com auction taking place on October 26, 2023 plus the final 'en bloc' premium bid totaling \$_____ and calculated as set out on Schedule "B" (the "**Purchase Price**"). The Purchase Price will be payable as follows:
 - \$ _____ 20% Deposit paid to the Vendor's Lawyer further described in Section 4.
 - \$ _____ 80% balance payable, subject to adjustments and Transaction Fee, payable on or before the Closing Date to the Vendor's Lawyer
 - \$ _____ **PURCHASE PRICE**
 - \$ _____ Transaction Fee payable at 1.25% + GST on the Purchase Price and in addition to the Purchase Price will be paid with closing funds on the Closing Date by the Purchaser and their lawyer to the Vendor's Lawyer
4. The Purchaser agrees to submit on or before 4:30 pm on October 27, 2023 an executed copy of this Offer along with a Bank Draft or Electronic Bank Deposit in the sum of 20% of the Purchase Price made payable to Carter, Lock & Horrigan (the "**Deposit**"). The Deposit, upon payment, shall be non-refundable.

5. The Purchase Price does not include Goods and Services Tax ("**GST**"). The Purchase Price will be subject, on the Closing Date, to the addition of GST which shall be paid by the Purchaser to the Vendor on the entire Purchase Price. Alternatively, in the event the Purchaser represents and warrants to the Vendor that the Purchaser is a registrant under the *Excise Tax Act* (Canada) and provides the Vendor with their GST registration number prior to the Closing Date together with a GST indemnity then the Purchaser may account directly to Canada Revenue Agency for the GST payable on this transaction without paying same to the Vendor.
6. The Purchase Price shall be paid in full on or before November 30, 2023 (the "**Closing Date**") with no holdback pending the delay in Alberta Environment and Parks registering the formal assignment on the Leased Lands. Prior to the Closing Date, as part of the closing documents the Vendor shall provide the Purchaser's Lawyer a duly executed formal assignment of the Leased Lands along with executed interim agreement for use of the Leased Lands pending registration of the formal assignment.
7. Possession of the Property will be subject to the Purchaser paying closing funds on the Closing Date to the Vendor's Lawyer. Possession of the Leased Lands will be subject to the Purchaser paying closing funds on the Closing Date to the Vendor's Lawyer and upon receipt of confirmation from Alberta Environment and Parks with respect to the interim use (the "**Possession Date**").
8. All money owing to the Vendor shall be paid to the Vendor's Lawyer on or before 12:00 noon on the Closing Date. Any monies received after 12:01 pm shall be deemed to have been received on the next business day. If the Vendor agrees to accept monies after the Closing Date, the Purchaser shall pay interest at a rate of 7% per annum on any money owing to the Vendor as at the Closing Date, from the Closing Date until that money has been paid.
9. The Vendor's Lawyer will deliver normal closing documents to the Purchaser's Lawyer upon reasonable conditions consistent with the terms of this Offer.
10. The Purchaser is aware of the eligibility requirements in order to have an Application for Assignment of Agriculture Disposition registered.
11. The Purchaser hereby acknowledges that if registration of the transfer documents, and Purchaser financing, if any, cannot be registered by the Closing Date due to Alberta Land Titles registration timeline delays then the Purchaser shall obtain a title insurance policy to avoid delays past Closing Date at their expense.
12. All normal adjustments for the Property and Leased Lands including but not limited to surface leases, rent, taxes, municipal utility charges, and interest shall be adjusted as at noon on the Closing Date.
13. The Purchaser agrees to pay a transaction fee equal to 1.25% of the Purchase Price plus GST (the "**Transaction Fee**") in addition to the Purchase Price. The Transaction Fee will appear on the Statement of Adjustments as provided to the Purchaser's Lawyer.
14. The Purchaser acknowledges that the Assignment Fee payable to Alberta Environment and Parks shall be the sole responsibility of the Purchaser.

15. The Purchaser further acknowledges that the annual rental fee and annual property taxes issued past the Closing Date will be paid by the Purchaser.
16. The Property and Leased Lands shall be free and clear of any financial encumbrances attributable to the Vendor. The Property may be subject to all non-financial encumbrances now on title such as easements, utility right of ways and covenants and conditions registered against the Property.
17. The Purchaser has inspected the Property and Leased Lands and agrees that the Vendor has not made any representation, warranty, collateral agreement or condition regarding the Property, Leased Lands or any adjacent land or lands in close proximity to the Property and Leased Lands or otherwise which may in any way directly or indirectly affect the Property and Leased Lands or regarding this Offer other than what is written herein.
18. The Vendor represents and warrants to the Purchaser that:
 - (a) He is not now (nor will be within 60 days after the Possession Date) a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
 - (b) He is not an agent or trustee of anyone with an interest in the Property or Leased Lands who is (or will be 60 days after the Possession Date) a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
 - (c) He has the legal right to sell the Property and the rights to the Leased Lands.
19. The parties hereto agree that the representations, warranties, and covenants herein shall not merge by the acceptance of documents, registration of documents, or the taking of possession by the Purchaser.
20. Upon this Offer being accepted by the Vendor, this document shall, as of the date of such acceptance, constitute an agreement of sale and purchase, notwithstanding the fact that formal documents may be required and the Purchaser and Vendor both agree to promptly execute and deliver all necessary documents and do all necessary acts in order to fully carry out and perform the true intent and object of these presents.
21. This Offer shall be open for acceptance up to but not after 4:30 pm on October 30, 2023 and may be accepted by PDF email to the Purchaser.
22. Time shall be of the essence in this Offer.
23. In this Offer, the masculine gender and the singular shall be construed as the feminine gender and the plural where the context so requires. This Offer shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

24. The Agreement may be executed in several counterparts bearing PDF, electronic, or facsimile signatures, each of which so executed shall be deemed to be an original, and such counterpart together shall constitute one and the same instrument.

Dated at _____, in the Province of Alberta, on this ____ day of October, 2023.

PURCHASER

PURCHASER

**TO BE EXECUTED BY HIGH
BIDDER POST SALE ONLY**

Purchaser's Lawyer:

Firm: _____

Attention: _____

Address: _____

Phone: _____

Email: _____

ACCEPTANCE

The undersigned Vendor of the Property and rights to the Leased Lands, hereby accepts the Offer and agrees to complete the sale on the terms and conditions in the Offer and should the Vendor fail to do so, the Purchaser at his/her/their option may cancel this Offer and may take such other remedies the Purchaser has at law.

Dated at _____, in the Province of Alberta, on this ____ day of October, 2023.

SMOKY RIVER RANCHING LTD.

Per: _____
Larry Drysdale

LARRY DRYSDALE

Vendor's Lawyer:

Firm: CLHLaw

Attention: M. Roy Carter, K.C.

Address: #200, 9803 – 101 Avenue, Grande Prairie, AB T8V 0X6

Phone: 1-780-532-8350

Email: roy@clhlaw.ca

OFFER SCHEDULE "A"

MERIDIAN 5 RANGE 22 TOWNSHIP 67
SECTION 9
QUARTER NORTHWEST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME
AREA: 65.2 HECTARES (161 ACRES) MORE OR LESS

Standing in the name of Smoky River Ranching Ltd.

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION FIFTEEN (15)
TOWNSHIP SIXTY-SEVEN (67)
RANGE TWENTY-TWO (22)
WEST OF THE FIFTH MERIDIAN, LYING WEST OF ROAD PLAN 4324JY,
CONTAINING 37.6 HECTARES, (93) ACRES MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

Standing in the name of Larry Drysdale

MERIDIAN 5 RANGE 22 TOWNSHIP 67
SECTION 15
ALL THAT PORTION OF THE NORTHWEST QUARTER
LYING EAST AND SOUTH OF ROAD PLAN 0726430;
CONTAINING 14.974 HECTARES (37.00 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67

SECTION 15

QUARTER SOUTHWEST

CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS.

EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS

A) PLAN 4324JY - ROAD 10.3 25.41

B) PLAN 8222021 - ROAD 0.237 0.59

C) PLAN 0726430 - ROAD 3.334 8.24

EXCEPTING THEREOUT ALL MINES AND MINERALS

AND THE RIGHT TO WORK THE SAME

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67

SECTION 15

QUARTER SOUTHEAST

CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS

EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS

A) PLAN 4324JY ROAD 0.138 0.34

B) PLAN 0726430 ROAD 0.362 0.89

C) PLAN 1620866 ROAD 0.372 0.92

EXCEPTING THEREOUT ALL MINES AND MINERALS

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67

SECTION 16

QUARTER NORTHEAST

EXCEPTING THEREOUT ALL MINES AND MINERALS

AND THE RIGHT TO WORK THE SAME

AREA: 65.2 HECTARES (161 ACRES) MORE OR LESS

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67

SECTION 22

QUARTER SOUTHWEST

CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS

EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS

A) PLAN 4324JY - ROAD 9.81 24.24

B) PLAN 4218LZ – ROAD 0.470 1.16

C) PLAN 0726430 - ROAD 0.422 1.04

EXCEPTING THEREOUT ALL MINES AND MINERALS

AND THE RIGHT TO WORK THE SAME

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67
SECTION 22
QUARTER SOUTHEAST
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS
EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS
A) PLAN 0726430 - ROAD 0.193 0.48
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67
SECTION 23
QUARTER NORTHWEST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME
AREA: 65.2 HECTARES (161 ACRES) MORE OR LESS

Standing in the name of Smoky River Ranching Ltd.

MERIDIAN 5 RANGE 22 TOWNSHIP 67
SECTION 23
QUARTER SOUTHWEST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME
AREA: 65.2 HECTARES (161 ACRES) MORE OR LESS

Standing in the name of Smoky River Ranching Ltd.

OFFER SCHEDULE "B" – PURCHASE PRICE BREAKDOWN

PARCEL & SHORT LEGAL DESCRIPTION	HIGH BID AMOUNT
PARCEL 1: NW-9-67-22-W5TH	\$ _____
PARCEL 2: W ½- 15-67-22-W5TH	\$ _____
PARCEL 3: SE-15-67-22-W5TH	\$ _____
PARCEL 4: NE-16-67-22-W5TH	\$ _____
PARCEL 5: S ½ 22-67-22-W5TH	\$ _____
PARCEL 6: W ½ 23-67-22-W5TH	\$ _____
PARCEL 7: GRL-39556	\$ _____
EN BLOC PREMIUM BID	+ \$ 130,000.00
TOTAL PURCHASE PRICE	\$ _____