

SCHEDULE "B"

Sale of Properties and Real Estate Auction – Terms and Conditions

Colliers may conduct an auction of the Properties upon the following terms and conditions. Colliers has engaged a qualified and licensed auctioneer, GD Auctions & Appraisals (the "**Auctioneer**") to provide the auction platform and assist in the administration of the auction (under the supervision of Colliers) and Colliers will compensate GD Auctions out of the Commission as such term is defined in the Agreement.

1. **UNRESERVED AUCTION.** The Properties may be offered for sale in an online auction, and may be sold to an approved bidder in the Vendor's absolute discretion. Any sale of a Property or the Properties is subject to the approval by the Court of Queen's Bench of Alberta in Court File Number 2003 15829 ("**Court Approval Condition**"). There shall be no requirement for a minimum bid or reserve price (the "**Kalco Unreserved Auction**").
2. **KALCO UNRESERVED AUCTION DURATION.** The Kalco Unreserved Auction shall commence on or about February 19, 2021, or such later date as may be agreed to in writing by the Vendor and Colliers, and shall begin to close at 10:00am Mountain Standard Time on March 22, 2021 (the "**Auction Soft Closing**"). Each Property will have a scheduled thirty (30) minute staggered closing time as set out in the attached **Appendix "1"**. However, if a bid is placed for a Property within one (1) minute prior to the Auction Soft Closing, then bids will be accepted for that Property for an additional two (2) minutes (the "**Auction Hard Closing**"), and so on and so forth for as long as additional bids are received for that Property within the final one (1) minute of the Auction Hard Closing (the Auction Soft Closing and the Auction Hard Closing are hereinafter collectively referred to as the "**Auction Closing**").
3. **THE TERMS AND CONDITIONS OF THE KALCO UNRESERVED AUCTION.** The "**Kalco Unreserved Auction Terms and Conditions**" include, without limitation, the following:
 - (a) persons wanting to participate in the Kalco Unreserved Auction must acknowledge that they have read the Kalco Unreserved Auction Terms and Conditions and the En Bloc Terms and Conditions (as hereinafter defined), that they understand them and that they covenant and agree to be bound by them (an "**Approved Bidder**");
 - (b) Approved Bidders may submit bids to purchase an individual Property at any time prior to the Auction Closing (a "**Bid**"). Any Bid submitted after Auction Closing shall not be considered by the Vendor;
 - (c) the Properties are being offered for sale on an "as is, where is basis";
 - (d) the sale of the Properties are subject to the Court Approval Condition;
 - (e) Bids shall not be contingent on the Approved Bidder's ability to obtain financing;
 - (f) Bids may not be rescinded or revoked once they are submitted to the Kalco Unreserved Auction and shall remain open for consideration and acceptance by the Vendor until an Unsuccessful Bid Notice has been delivered to the applicable Approved Bidder;

- (g) Upon Auction Closing, the Vendor, in the Vendor's absolute discretion, shall review the Bids, and in the event the Vendor elects to further consider any Bids, then without any obligation to accept any Bid, it (or the Auctioneer) shall notify the Approved Bidders of such Bids, in writing, that they must, within twenty four (24) hours:
- (i) complete, execute and deliver to the Vendor an Asset and Real Estate Purchase Agreement in the form required by the Vendor (the "**APA**"); and
 - (ii) pay a deposit, to the Vendor (or its legal representative) in the amount of 25% of the Purchase Price, to be used in accordance with the APA (if accepted by the Vendor in accordance with Paragraph 3(h) below) (the "**Bid Deposit**").

In the event the APA and the Bid Deposit is not delivered by an Approved Bidder to the Vendor within twenty four (24) hours of being requested to do so, the Vendor may, in its sole discretion, deliver to such Approved Bidder, or its legal representative, an Unsuccessful Bid Notice, and in that event, the Vendor shall have no responsibility or obligation to sell the Property or Properties to such Approved Bidder and shall return any Bid Deposit paid to the Vendor in accordance with Paragraph 3(h)(ii) (if any);

- (h) In the event the provision of Paragraph 3(h) is complied with by an Approved Bidder, and the Vendor determines, in its absolute discretion, to accept a Bid or Bids, it shall execute and deliver to an Approved Bidder, at the address provided by the Approved Bidder in the APA, a fully executed APA; and the Bid Deposit shall be held in trust in accordance with the terms and conditions of the APA. The balance of the Purchase Price shall be paid on or before closing (in accordance with and as defined in the APA);
- (i) the Vendor reserves the right to accept a Bid, in its absolute discretion, and the Vendor is under no obligation to accept the highest Bid for any Property or under any obligation to accept any Bid;
- (j) a Bid shall remain open for acceptance by the Vendor until such time as the Vendor notifies the Approved Bidder, in writing to the email address provided by the Approved Bidder, that its Bid is not acceptable to the Vendor (the "**Unsuccessful Bid Notice**"), and upon the Unsuccessful Bid Notice being given, the Vendor shall have no obligation or responsibility to sell a Property or the Properties to such Approved Bidder, and the Auctioneer shall within three (3) business days of the Unsuccessful Bid Notice, return to the Approved Bidder the Participation Deposit, and if applicable, the Vendor shall return the Bid Deposit; and
- (k) all Unsuccessful Bid Notices will be delivered by no later than 5pm Mountain Standard Time March 26, 2021.
4. **EN BLOC OFFERS.** In addition to Bids, the Vendor will consider En Bloc offers to purchase all of the Properties (an "**En Bloc Offer**"), however En Bloc Offers will only be considered by the Vendor if they comply with the following terms and conditions (the "**En Bloc Terms and Conditions**"):

- (a) an En Bloc Offeror (as hereinafter defined) must acknowledge that it has read the Kalco Unreserved Auction Terms and Conditions and the En Bloc Terms and Conditions, that it understands them and that it covenants and agrees to be bound by them;
- (b) En Bloc Offers must be delivered to the Vendor, in a sealed envelope, addressed to:

The Bowra Group Inc.
1411 TD Tower
10088 – 102 Avenue
Edmonton, Alberta, T5J 2Z1
Attention: Kristin Gray
- (c) All En Bloc Offers must be received by the Vendor no later than 3:00pm Mountain Standard Time on March 19, 2021 (the “**En Bloc Offer Deadline**”);
- (d) En Bloc Offers received by the Vendor after the En Bloc Offer Deadline will not be considered by the Vendor;
- (e) En Bloc Offers must be submitted to the Vendor using the APA, Article 3.1 must specify the proposed purchase price for the Properties (the “**En Bloc Purchase Price**”), Article 5.1 must specify the GST Registration Number of the proposed purchaser (the “**En Bloc Offeror**”), Article 11.2.2 must be completed and it must be duly executed by the En Bloc Offeror;
- (f) En Bloc Offers must be accompanied with a deposit in the amount of 25% of the Purchase Price, to be used in accordance with the APA (if accepted by the Vendor in accordance with Paragraph 4(m) below) (the “**En Bloc Offer Deposit**”);
- (g) the En Bloc Offer Deposit must be submitted to the Vendor in the form of a Certified Cheque or bank draft, payable to The Bowra Group Inc.;
- (h) the Properties must be purchased on an “as is, where is basis”;
- (i) the sale of the Properties are subject to the Court Approval Condition;
- (j) An En Bloc Offer shall remain open for acceptance by the Vendor until such time as the Vendor notifies the En Bloc Offeror in writing, to the email address provided by the En Bloc Offeror in the En Bloc Offer, that its En Bloc Offer is not acceptable to the Vendor (the “**Unsuccessful En Bloc Offer Notice**”), and upon the Unsuccessful En Bloc Offer Notice being given, the Vendor shall have no obligation or responsibility to sell the Properties to such En Bloc Offeror, and shall within Three (3) business days of the Unsuccessful En Bloc Offer Notice being given, return to the En Bloc Offeror the En Bloc Offer Deposit.
- (k) En Bloc Offers must be unconditional, may not be revoked by the En Bloc Offeror and En Bloc Offer Deposits shall not be returned or refunded by the Vendor unless and until it has delivered an Unsuccessful En Bloc Offer Notice, in writing, to an En Bloc Offeror;

- (l) The Vendor will not unseal any En Bloc Offer, and will not review or consider any En Bloc Offer until Auction Closing;
 - (m) In the event the Vendor determines, in its absolute discretion, to accept an En Bloc Offer, it shall execute and deliver to the En Bloc Offeror, at the address provided by the En Bloc Offeror in the APA, a fully executed APA; and the En Bloc Offer Deposit shall be held in trust in accordance with the terms and conditions of the APA. The balance of the Purchase Price shall be paid on or before closing (in accordance with and as defined in the APA);
 - (n) The Vendor reserves the right to accept an En Bloc Offer, in its absolute discretion, and the Vendor is under no obligation to accept the Highest En Bloc Offer or under any obligation to accept any En Bloc Offer; and
 - (o) All Unsuccessful En Bloc Offer Notices shall be delivered by no later than 5pm Mountain Standard Time March 26, 2021.
5. **AUCTION INFORMATION.** Approximately four (4) weeks prior to the Auction Closing, Colliers and the Auctioneer shall make available online at www.kalcofarmsauction.com and www.kalcofarmsauction.ca:
- (a) a catalog of lots, complete with photos and detailed descriptions of the Properties;
 - (b) the APA;
 - (c) the Kalco Unreserved Auction Terms and Conditions; and
 - (d) the En Bloc Terms and Conditions.
6. **COURT APPROVAL.** All Bids and all En Bloc Offers must be submitted with the understanding that any sale of a Property or the Properties will be subject to Vendor approval and a thirty (30) day Court Approval Condition, which condition shall commence from the date that the APA is fully executed by Vendor. The Vendor reserves the right to accept no Bids and/or no En Bloc Offers on Auction Closing if pricing or terms of such Bids or En Bloc Offers are deemed unacceptable, in the Vendor's sole discretion. In addition, the Vendor is under no obligation to accept the highest Bid for any Property.
7. **CASH SALE.** This is a cash sale and Bids or En Bloc Offers shall not be contingent on the purchaser's ability to obtain financing.
8. **PARTICIPATION DEPOSIT.** In order to participate in the Kalco Online Auction, an Approved Bidder must submit a refundable deposit of TWENTY FIVE THOUSAND (\$25,000.00) dollars to be held in trust by the Auctioneer. In the event a Bid is not accepted by the Vendor, the Participation Deposit will be refunded within 72 Hours of Auction Closing. If an Approved Bidder is requested to execute and deliver the APA and the Bid Deposit, the participation deposit will be applied to the Bid Deposit as defined herein.
9. **COMPLETION BY LEGAL REPRESENTATIVE.** Completion and closing of all transactions will be handled by legal representatives appointed by the Vendor and purchaser (if any) acting on behalf of the Vendor and purchaser, respectively.

10. **NON-PERFORMANCE.** In the event the Vendor accepts a Bid or an En Bloc Offer by executing and delivering the APA to such Approved Bidder or En Bloc Offeror (the "**Purchaser**"), any failure by the Purchaser to complete the purchase of the Property or the Properties will result in the Bid Deposit(s) or the En Bloc Offer Deposit, as the case may be, and any further interest of the Purchaser in the Property or Properties being forfeited.
11. **AS-IS SALE.** The Purchaser shall accept the Property "AS-IS", "WHERE-IS", and "WITH ALL FAULTS" as of the closing date, and the Purchaser specifically agrees that neither the Vendor nor Colliers nor the Auctioneer make any representations or warranties of any kind whatsoever, expressed or implied, to the Purchaser as to the value, condition or fitness of the Property, environmental or otherwise, or any part thereof or improvements thereon. All descriptions, measurements and acreage provided by the Vendor, Colliers and the Auctioneer are to be used as a guide only. The Purchaser shall acknowledge and agree, as a condition of sale, that it is the Purchaser's sole responsibility to make such legal, factual and other inquiries, inspections and investigations as the Purchaser considers necessary prior to bidding on the Property or submitting an En Bloc Offer for the Properties, and the Purchaser shall warrant and represent to the Vendor that it shall have satisfied itself as to the location and condition of the Property or Properties, and all descriptions with respect thereto, prior to bidding or making an offer, and that it has had the opportunity to do so. In certain circumstances, the Vendor will complete and provide a property condition disclosure statement. If a property condition disclosure statement is available, the Approved Bidder or En Bloc Offeror may view such information.
12. **INTERPRETATION.** Any capitalized term not defined in this Schedule "B" shall have the meaning ascribed to it in the Exclusive Listing Agreement to which this Schedule is attached. Any reference in this Schedule "B" or any Ancillary Agreement to gender includes all genders and words importing the singular number only shall include the plural and vice versa, as the context may require.
13. **BUSINESS DAY.** " means any day of the year, other than a Saturday, Sunday or statutory holiday in the Province of Alberta.
14. **NOTICE.** Any notice required to be given in accordance with this Schedule "B", including, without limitation, the Unsuccessful Bid Notice and the Unsuccessful En Bloc Offer Notice shall be provided to an Approved Bidder or En Bloc Offeror by sending an email to the email address provided by such Approved Bidder or En Bloc Offeror in Article 11.2.2 of the APA, and such notice shall be deemed to have been received by the Approved Bidder or En Bloc Offeror, as the case may be, as and when sent by the Vendor.

Appendix "1"

Auction Lot #	Civic Address	Legal Address	Site Area (acres)
Lot #1	56302 Range Road 224	4;22;56;20;SW(E1/2) 4;22;56;20;SE	239.00
Lot #2	SW corner of RR 224 & AB 643	4;22;56;8;NE	136.72
Lot #3	SE corner of RR 225 & TWP 564	4;22;56;20;NW	154.02
Lot #4	NW corner of RR 224 & TWP 564	4;22;56;29;SE	153.52
Lot #5	22422 Township Road 564	4;22;56;29;SW	160.00
Lot #6	NW of RR 225 & TWP 564	Plan 0922546 Block 2 Lot 2	77.34
Lot #7	56515 Range Road 233	Plan 8022100 Lot 1	80.80
Lot #8	56515 Range Road 233	Plan 1723349 Block 1 Lot 5	40.08
Lot #9	23217 Township Road 564	Plan 0840686 Block 1 Lot 4	79.42
Lot #10	Range Rd 233, South of TWP 564	Plan 0840686 Block 1 Lot 2	2.47
			1123.37