

REQUEST FOR PROPOSAL (RFP)

**FOR SALE OR LEASE
DEVELOPMENT OPPORTUNITIES
UP TO 160 ACRES/5 ACRE PARCELS
ZONED: COMMERCIAL**

NISKU, ALBERTA, CANADA

**PROPERTY LOCATED:
SOUTH OF RITCHIE BROS. AUCTIONEERS PERMANENT AUCTION SITE**



Maps are for discussion purposes only, not to scale

Section 1: Introduction:

Established in 1958, Ritchie Bros. Auctioneers (NYSE and TSX: RBA) is the world's largest industrial auctioneer, selling more equipment to on-site and online bidders than any other company in the world. With more than 110 locations worldwide, including 43 auction sites in North America, Europe, the Middle East, Asia and Australia, RBA offers services that enable the world's builders to easily and confidently exchange equipment. The Company conducts hundreds of unreserved public auctions each year, selling a broad range of used and unused equipment, trucks and other assets utilized in the construction, transportation, agricultural, material handling, mining, forestry, petroleum and marine industries. In 2010, the Company conducted 332 unreserved equipment auctions, generating US\$3.3 billion in gross auction proceeds.

RBA's Property Department ("Property Dept") is responsible for the acquisition, development, design, construction, and property management of RBA's entire portfolio of global auction sites. The Property Dept also manages the sale or lease (disposition) of surplus land. The Property Dept is led by Robert Thompson, VP, Property

The Property Dept is reasonably familiar with the development process in Leduc County and has established long term, positive relationships with its planning and development decision makers.

The Property Dept initiated this marketing process intent on the disposition of up to 160 +/- acres of surplus land neighboring RBA's auction site in Nisku, Alberta. It is the Property Dept's preference is to sell this surplus land "as is." However, it is understood the market may demand alternatives to traditional land purchase and sale (P&S). The Property Dept is accepting development proposals with parcel requests ranging from approximately 5 acres up to the entire 160 +/- acres. (Appendix 1)

Even though the information regarding the subject property—collected by Ritchie Bros.

Auctioneers—is deemed reliable, interested parties (the "proponent") are responsible for the costs and time needed to perform due diligence to verify the accuracy of the RFP. All proposals are subject to approval from Leduc County and Ritchie Bros. Auctioneers Board of Directors.

Section 2: Site Information:

Legal Description:

EH-14-50-25-4

Roll Number: 6336010

Zoned/Use:

Commercial Service (Appendix 2)

Development of the area is intended to adhere to the standards outlined in the Highway 2 Design Guidelines (Appendix 3) and the Nisku West Area Structure Plan (Appendix 4).

The property is subject to a Restrictive Use Covenant (Appendix 5)

Site Improvements

The site is well drained and relatively flat. Over half of the 150 acres is used for agriculture crops.

Services and Access (Appendix 6)

At the proponent's expense, normal utilities are available from the property line, including electricity, natural gas, and telecomm services. With consent from Leduc County, the proponent could extend sanitary sewer, drainage, water from the RBA auction site to proposed development sites within RBA's surplus lands.

Technical Documents

For reference purpose only, included in this package is a soils report prepared for RBA in 2001. (Appendix 7)

Leduc County may require interested parties to prepare (at the proponent's expense) technical documents including traffic impact study, geotechnical study, storm water management study and servicing study that will be followed with access and servicing strategies.

Offsite Levies

Interested parties could be subject to offsite levies that are applicable to the subdivision of RBA's surplus lands. According to Leduc County (Aug 2011), current rates for offsite levies that could apply to the subdivision and development of RBA's surplus lands are:

- \$26196/ha (\$10,605.67/acre) for water
- \$69,188/ha (\$28,011.34/acre) for the roadway network

Depending on what new water infrastructure is installed as a result of the development there is a potential for a reduction in the water levy from Leduc County.

Appraisal (Sale or Lease)

Ritchie Bros. Auctioneers would like to sell or lease the premises at no less than its fair market value. The proponent is responsible for estimating the fair market value of the subject property.

In a Lease Scenario

Conditions of Lease

The site will be leased subject to the conditions listed below. Other terms and conditions may be included in the Letter of Acceptance issued by Ritchie Bros. Auctioneers.

- a) The lease contract will be a Standard Commercial Lease Agreement.
- b) The property and improvements will be leased “as is, where is.”
- c) If the successful bidder decides to sub lease, Ritchie Bros. has first right of refusal over future sub lessee decisions.
- d) Property taxes on the property will be the responsibility of the successful bidder.
- e) The cost of the utilities shall be the responsibility of the successful bidder.
- f) The successful bidder will continue to maintain improvements, drainage systems and ensure the property and frontage roads are attractive and litter-free.
- g) The use of the premises will be consummated after all necessary approvals, permits or licenses are secured from the Leduc County.
- h) All recording fees and other costs shall be the responsibility of the proponent.

Environmental Due Diligence

- a) The proponent will comply with all applicable environmental legislation, regulation, standards and best management practices, as well as, regulatory requirements relating to authorizations, approvals and other permits.
- b) The proponent will cooperate with Ritchie Bros. and other environmental auditors as necessary to ensure that the terms of the lease agreement are met.
- c) The proponent will ensure environmental compliance by preparing and implementing their own Spill Contingency and Emergency Response Plan.
- d) All environmental assessments, analyses and remediation conducted will be at the proponent’s expense. Ritchie Bros. Auctioneers will be notified in writing of any environmental assessments conducted on the Property and copied on all infractions, corrective actions and reports.

Insurance

Prior to occupation of the property, the proponent shall provide Ritchie Bros. Auctioneers with evidence of:

- a) General liability insurance effective for the Term in an amount no less than \$5,000,000 per occurrence, which insurance will include Ritchie Bros. Auctioneers as an additional insured.
- b) Environmental site liability insurance effective for the Term in an amount no less than \$5,000,000 per occurrence, which insurance will include Ritchie Bros. Auctioneers as an additional insured.

SECTION 3

Deadlines And Requirements

Proposal Requirements

The following information must be included in the proposal:

1. A brief description of the proposed use of the site.
2. The proposed fair market value (purchase or lease) for the Premises.
3. The name, address, email, and telephone number of the proponent or a representative authorized to act on behalf of the proponent.
4. If the proponent is not an individual doing business under his or her own name, the proponent must describe the legal status of the entity.

Evaluation Criteria

1. Expected public benefit from the proposed use.
2. Synergy with adjacent uses and zoning bylaws.
3. Fair Market Value of proposed purchase/lease.

Proposal Submission Information

Please send proposals in a sealed envelope and deliver by email, mail, or courier to:

Ritchie Bros. Auctioneers Ltd.

Attn: **Mike Ford, MBA**

Development Coordinator, Property

9500 Glenlyon Parkway

Burnaby, BC, V5J 0C6.

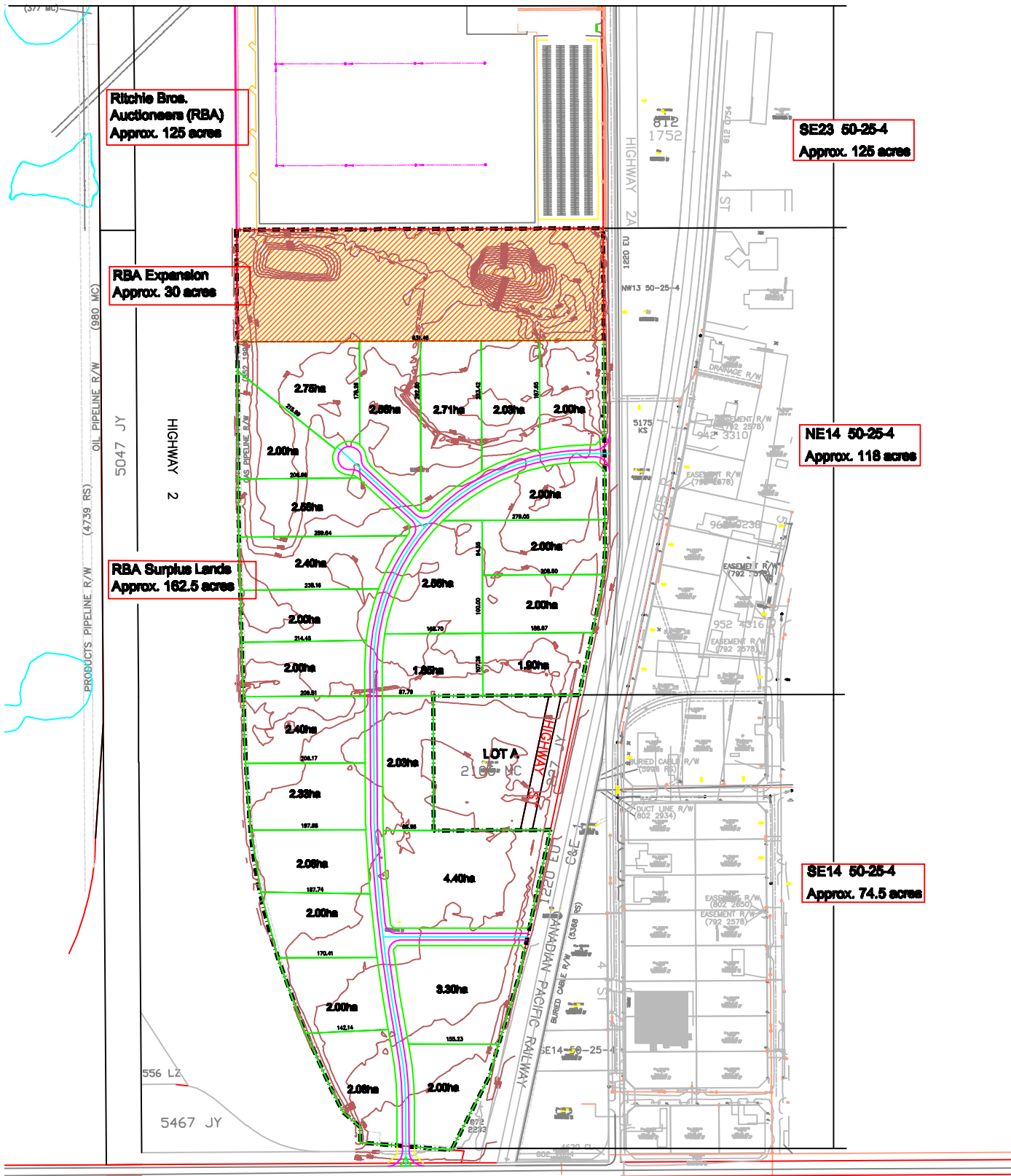
Voice: 778.331.5481

Email: mford@rbauction.com

LIST OF APPENDICES

APPENDIX 1

**DEVELOPMENT CONCEPT PLAN
(FOR DISCUSSION PURPOSES ONLY, NOT TO SCALE)**



NOTES:

- Preliminary Boundary Proposal
- Prepared by RBA Sept 21, 2011
- Please use this preliminary site plan as a guideline for subdivision discussion only.

APPENDIX 2

PERMITTED AND DISCRETIONARY USES—LEDUC COUNTY

9.13 CS - Service Commercial District

9.13.1 General Purpose

The purpose of this District is to accommodate a range of predominantly service commercial and compatible light industrial uses in planned centres with good visibility and access.

9.13.2 Permitted Uses	9.13.3 Discretionary Uses
<i>Accessory Building</i>	<i>Amusement and Entertainment Service</i>
<i>Accommodation Service</i>	<i>Auctioneering Service</i>
<i>Animal Care Service</i>	<i>Automotive /Equipment Body Repair</i>
<i>Automotive and Equipment Repair</i>	<i>Casinos/Gambling Establishment</i>
<i>Automotive Sales and Service</i>	<i>Cemetery</i>
<i>Business Office</i>	<i>Childcare Facility*</i>
<i>Commercial Retail Service</i>	<i>Commercial Retail Service</i>
<i>Convenience Retail Service</i>	<i>Commercial Storage</i>
<i>Convention Facility</i>	<i>Contractor Service, Limited</i>
<i>Financial Service</i>	<i>Drinking Establishment</i>
<i>Funeral Service</i>	<i>Education Service</i>
<i>Gas Bar</i>	<i>Entertainment, Adult</i>
<i>Institutional Use</i>	<i>Liquor Sales</i>
<i>Personal and Health Care Service</i>	<i>Manufactured Home, Sales and Service</i>
<i>Restaurant</i>	<i>Manufacturing, Limited Indoor</i>
<i>Utility Service, Minor</i>	<i>Outdoor Storage*</i>
<i>Warehousing and Storage (indoor)</i>	<i>Park</i>
	<i>Recreational Vehicle Storage</i>
	<i>Recreation, Indoor</i>
	<i>Recycling Depot</i>
	<i>Security Suite</i>
	<i>Service Station, Minor</i>
	<i>Service Station, Major</i>
	<i>Sign (in accordance with Part 8 of this Bylaw)</i>
	<i>Utility Service, Major</i>

*Regulations for these uses are contained within Part 7 of this *Bylaw*

9.13.4 Minimum Building Setback Requirements		
From the property line adjacent to:	<i>Principal Building</i>	<i>Accessory Building</i>
<i>Road, Highway - Front/Side/Rear</i>	40.0 m	40.0 m
<i>Road, Municipal Grid – Front/Side/Rear</i>	35.0 m/15.0m/ 35.0 m	35.0 m/ 6.0 m/15.0 m
<i>Road, Internal/Road, Service – Front/Side/Rear</i>	6.0 m	6.0 m/3.0m/3.0m
<i>Other lot – Side</i>	6.0 m and 2.0 m	3.0 m and 1.0 m
<i>Other lot – Rear</i>	6.0 m	1.0 m
<i>Residential Use Side/Rear</i>	6.0 m	6.0 m

9.13.5 Minimum Setback Requirements for Parking, Storage and Display of Products	
From the property line adjacent to:	Parking, storage or display area
<i>Road, Municipal Grid / Road, Highway</i>	15.0 m
From all other	6.0 m

Note: Development within 0.8 km (0.5 miles) of the boundary of the right-of-way of a *road, highway* may have increased setbacks as determined by the *Province*.

9.13.6 Maximum Height of Buildings

The maximum height of *buildings* is 13.5 m (44.3 ft.), except that for accommodation and convention services this *may* be increased at the discretion of the *Development Authority*.

Notwithstanding the above, height *may* be restricted to that allowed under regulations of the Airport Vicinity Protection Area (AVPA) and federal government.

9.13.7 Site Coverage

The combined *site coverage* by *principal* and *accessory buildings* - 50% of the *site*

9.13.8 Other Regulations

- (a) Landscaping and/or fencing is required within all front yards, and side and rear yards flanking a road or residential district. Landscaping and/or fencing may also be required in order to screen the outdoor storage of goods, machinery, vehicles, building materials, waste materials and other similar uses. Further landscaping requirements are contained within PART 7 – GENERAL REGULATIONS: Landscaping, 6.7.
- (b) In addition to the above regulations, others apply. See PART SIX - GENERAL REGULATIONS, PART SEVEN - SPECIFIC USE REGULATIONS, PART EIGHT - SIGNS AND PART TEN - SUBDIVISION DESIGN

APPENDIX 3

HIGHWAY 2 DESIGN GUIDELINES

(see email attachment)

APPENDIX 4

NISKU WEST AREA STRUCTURE PLAN

(see email attachment)

APPENDIX 5

RESTRICTIVE USE OF COVENANT

Restrictive Covenant

Ritchie Bros. Properties Ltd. (the "Grantor") being the owner and grantor of the property as shown in the attached Request for Proposal (RFP), reserves the following rights as a restrictive covenant on the property running with the land:

1. The property as shown on Exhibit A herein, shall not be used for the purpose of conducting public or private auctions of industrial, construction, agricultural, transportation or other commercial or personal property or equipment prior to **{50 YEARS AFTER DATE OF REGISTRATION}**; and,
2. Any violation of this Covenant shall permit the Grantors to (a) obtain injunctions against such auction sales with or without a breach and without a bonding requirement; (b) for each breach or threatened breach of this Covenant, the Grantee shall pay as liquidated damages and not as a penalty, the sum of \$10,000 per day for each day the breach or threatened breach continues and until the threat or the breach is abated; and,
3. The Grantee shall pay all costs and attorney fees of the Grantor for enforcing this Restrictive Covenant, obtaining judgment for the aforesaid damages (including interest at 18% per annum until paid) and complete collection and satisfaction of the judgment plus earned interest; and,
4. This Restrictive Covenant shall run with the Property and be binding on the Grantee and grantee's heirs, representatives, successors and assigns and inure to the benefit of the Grantor, its successors and assigns until its termination date as set forth above.

EXECUTED this ____ day of _____, 2010.

Ritchie Bros. Properties Ltd.

By: _____

Name: _____

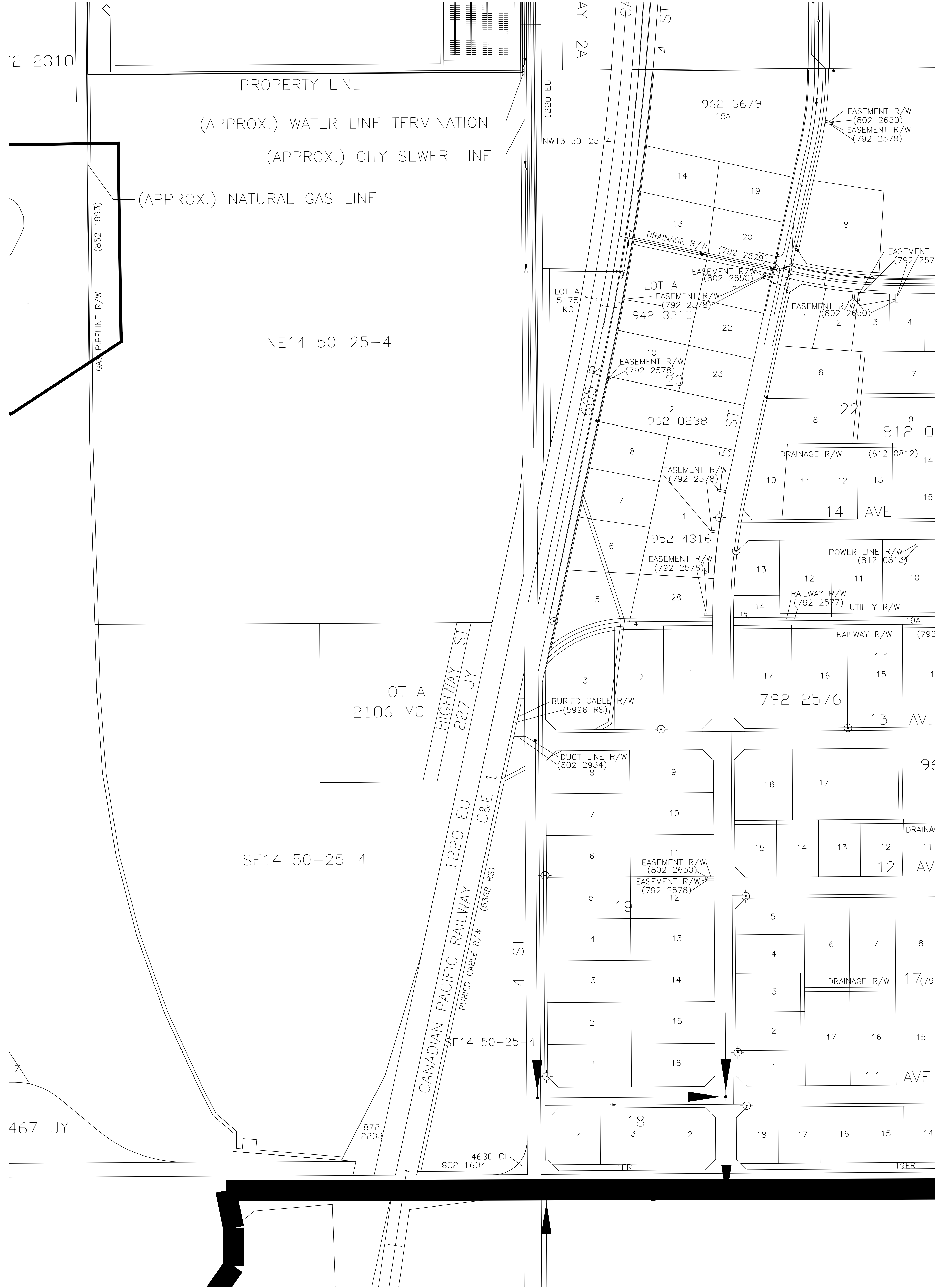
Title: _____

Executed before me at _____
_____ this ____ day of _____ by _____,
_____ for Ritchie Bros. Properties Ltd.

Notary

APPENDIX 6

UTILITIES SITE PLAN



'2 2310

PROPERTY LINE

(APPROX.) WATER LINE TERMINATION

(APPROX.) CITY SEWER LINE

(APPROX.) NATURAL GAS LINE

GAS PIPELINE R/W (852 1993)

NE14 50-25-4

LOT A 2106 MC

SE14 50-25-4

467 JY

872 2233

4630 CL 802 1634



1220 EU
NW13 50-25-4

962 3679
15A

EASEMENT R/W (802 2650)
EASEMENT R/W (792 2578)

LOT A 5175 KS

LOT A EASEMENT (792 2578)

10 EASEMENT R/W (792 2578)

962 0238

EASEMENT R/W (792 2578)

952 4316
EASEMENT R/W (792 2578)

BURIED CABLE R/W (5996 RS)

DUCT LINE R/W (802 2934)

11 EASEMENT R/W (802 2650)
EASEMENT R/W (792 2578)

CANADIAN PACIFIC RAILWAY
BURIED CABLE R/W (5368 RS)
C&E 1
1220 EU
HIGHWAY ST 227 JY

4 ST

SE14 50-25-4

18 3 2

18 17 16 15 14

APPENDIX 7

RBA SOILS REPORT 2001
(see email attachment)