

TABER IRRIGATION DISTRICT
GRAZING LEASE TENDER FORM,
INSTRUCTIONS and LEASE AGREEMENT

Invitation to Tender

Sealed tenders clearly marked on the envelop "Tenders" for Taber Irrigation District (T.I.D.) Grazing Lease will be received at the T.I.D. Office in Taber up to 11:00 a.m., Local Time, **Tuesday, July 21st, 2020.**

A tenderer may bid on one or more of the grazing leases.

Each tender must be accompanied by a certified cheque payable to the Taber Irrigation District, for a sum not less than 20% of the tendered price. The Tender Deposit of the unsuccessful bidders shall be returned within six (6) weeks after tender opening. If a contract is awarded, the successful bidder's Tender Deposit shall be credited towards his first year's annual rent payment. The Tender Deposit of the successful bidder shall be forfeited as liquidated damages if the tenderer declines to enter into a contract for the grazing lease(s) in the form provided when and if requested to do so within six (6) weeks after the date of the opening of the bids.

The Board of Directors reserves the right to reject any or all tenders, waive informalities, or to accept the tender deemed most favourable in the interest of the District.

Instructions to Bidders

The Tender Form must be completed in full. A separate Tender Form must be completed for each grazing lease being tendered. The tender(s), accompanied by a **certified cheque**, shall be submitted in a sealed envelop with "Tender(s)" clearly marked on the envelope.

Included in the Tender Package is:

1. A tender form for each grazing lease.
2. A map of each of the grazing leases.
3. A copy of the lease agreement to be entered into by the successful tenderer.

The Board reserves the right to reject any or all tenders when such rejection is in the interest of the District.

The highest or any tender will not necessarily be accepted.

TENDER FORM

for grazing lease in:

**NW and S 1/2 28-10-16-W4M containing approximately
458 acres, in the Taber Irrigation District.**

The grazing lease is for a term of two (2) consecutive grazing periods of May 1 to October 31, with the first such period in **2021** and the last such period in **2022**.

The maximum animal units that can be grazed on the lease is 36 animal units.

The annual rent shall be paid at the T.I.D. office not later than **April 1st** preceding each period during the term of the lease.

BID PRICE \$ _____/year (excluding GST) for each year of the 2 year term of the lease.

BID SUBMITTED BY: Name: _____

Address: _____

Signature: _____

Date: _____

- Note:**
- The conditions of the lease are contained in detail in the sample Lease Agreement contained in this Tender Package.
 - Applicable GST will be added to the annual invoice.

POLICY OF TABER IRRIGATION DISTRICT
with regard to
Oil Well Drilling & Seismic Activity

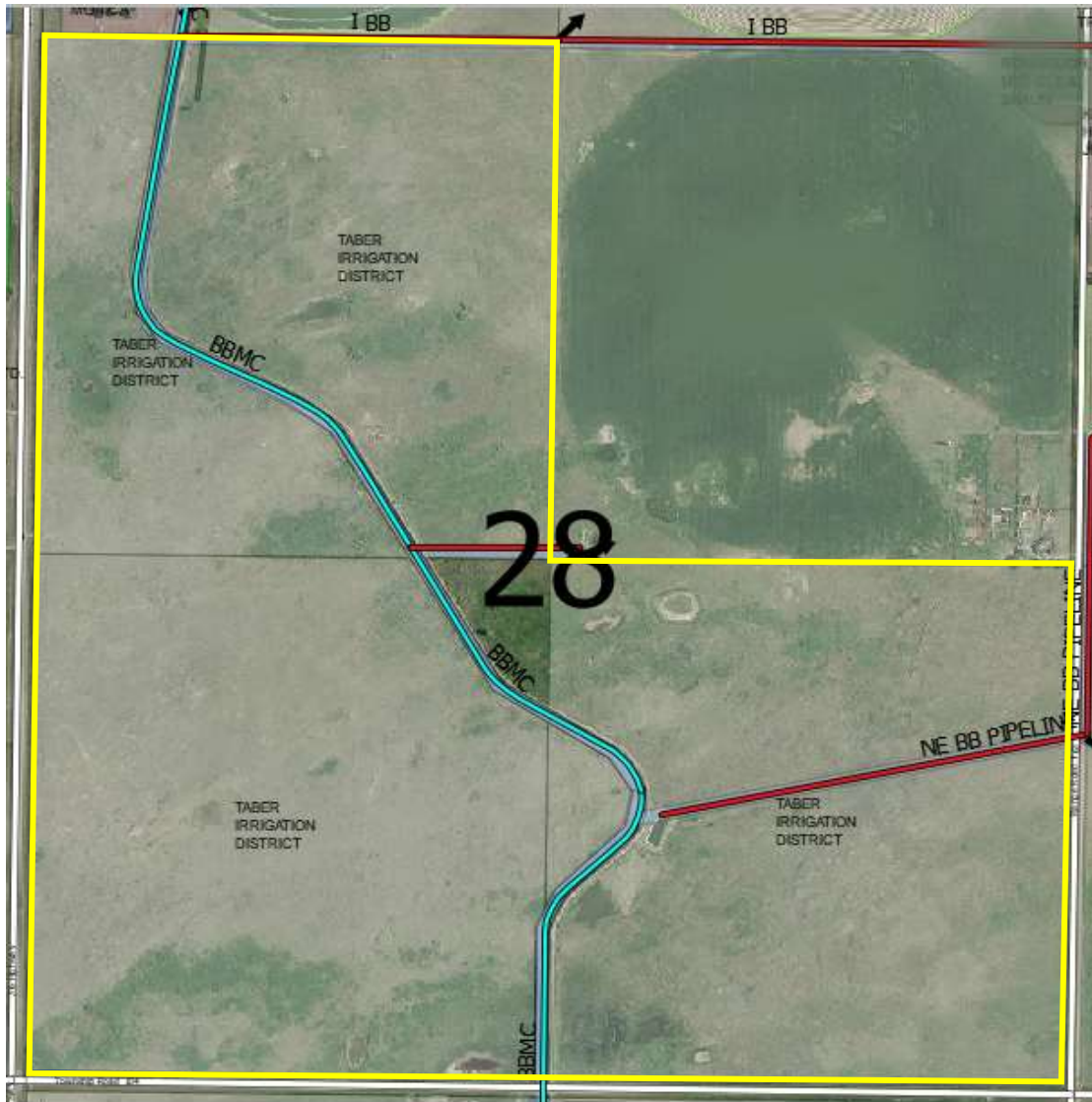
1. The Lessee on a Five Year Grazing Lease shall be given a one time payment of \$200.00 for each oil well that is drilled on their lease during the grazing period of May 1 to October 31. This payment is compensation to the Lessee for adverse effect, nuisance, inconvenience and noise related to and caused by the drilling activity.

2. The Lessee on a Five Year Grazing Lease shall be given a one time payment of 10% of the seismic compensation paid to the Taber Irrigation District to a maximum of \$1.00/acre of lease area for seismic exploration conducted on their lease during the grazing period of May 1 to October 31. This payment is compensation to the lessee for adverse effect, nuisance, inconvenience, and noise related to and caused by the seismic exploration activity.

NW and S ½ 28-10-16W4

458 acres

36 animal units



TABER IRRIGATION DISTRICT

TWO YEAR GRAZING LEASE AGREEMENT

This agreement made in duplicate this _____ day of _____, 20 _____.

BETWEEN:

**THE TABER IRRIGATION DISTRICT
of 4420 - 44th Street, Taber
in the Province of Alberta**

(Hereinafter called the "Lessor")

OF THE FIRST PART

AND

_____ of _____

in the Province of Alberta

(Hereinafter called the "Lessee")

OF THE SECOND PART

WHEREAS the Lessor is the owner of certain estates in fee simple to be used at the present time for grazing purposes, and

WHEREAS the Lessor is not restricted by the Irrigation Districts Act of Alberta to enter into grazing lease agreements, and

WHEREAS the Lessor is desirous to see certain estates owned by the Lessor used for the good of the Irrigators of the Taber Irrigation District as a whole, and

WHEREAS the Lessee is desirous to enter into an agreement with the Lessor providing for the lease of certain lands, more specifically described hereafter, and the establishment of the charges pertaining to the lease, and

WHEREAS the Lessee must be an Irrigator of the Taber Irrigation District,

NOW THEREFORE this agreement doth witness that the Lessee and the Lessor do **MUTUALLY AGREE AND COVENANT AS FOLLOWS:**

1. **THE LESSOR** agrees to lease to the Lessee those lands and acreages described herein as follows:

Acreage = acres Animal Units =

Description:

(See attached map)
(hereinafter called the "Lands")

2. a) **THE LESSOR** does hereby lease to the Lessee the Lands, for the purpose of grazing livestock thereon, for a term of 5 consecutive grazing periods of May 1 to Oct. 31, with the first such period in 2021 and the last such period in 2022.
 - b) **THE LESSEE** shall have no right or interest in or to the Lands for the periods between Oct. 31 and April 30 during the term of this lease.
 - c) **THE LESSEE** has no express or implied right or option to any renewal term at the end of the term hereof.
3. **THE LESSEE** agrees to pay to the Lessor at its offices not later than **April 1st** preceding each period during the term of this agreement, the sum of:

(hereinafter called the "annual rent") plus applicable Goods and Services Tax.

In the event any portion of the Lands become permanently unavailable to the Lessee during the currency of this lease as a direct result of drilling activity on the Lands, then the Lessor will abate the annual rent payable by the Lessee herein by an amount proportional to the amount by which the entire grazing area of the Lands is reduced by that activity.

4. **THE LESSOR** agrees to pay those taxes assessed by the Municipality against the Lands during the term of this lease.
(The tendered amount has already included these taxes.)
5. **THE LESSEE** covenants and agrees to and with the Lessor:
 - a) Not to cause or permit the Lands or any part thereof to be grazed in such manner or to such extent as to impair the normal reproduction of the vegetation thereon and in no case shall run livestock on the Lands exceeding _____ Animal Units.
 - b) Where the Lessor provides a Notice to the Lessee specifying that the Lands are being overgrazed or unsustainably managed, to reduce the number or distribution of livestock maintained thereon to such numbers and for such periods of time as so specified in the said Notice without reduction in the annual rent.
 - c) Not to plough, break or cultivate the Lands or any part thereof without the prior written consent of the Lessor.
 - d) Not to assign or transfer this lease or any part thereof or any interest therein, or sublet the Lands or any part thereof, without the prior written consent of the Lessor.
 - e) To control noxious weeds and other agricultural pests upon the Lands in compliance with the Weed Control Act and the Agricultural Pests Act, and regulations.
 - f) To in all respect comply with the law relating to the control of livestock's contagious diseases and agricultural pests insofar as the same apply to the Lands.
 - g) To maintain and, where necessary, erect and replace adequate fences around and throughout the Lands to contain the livestock pastured thereon and to keep the livestock out of the irrigation canals of the Lessor and to comply with the provisions of the Stray Animals Act.
 - h) Not to reside upon the Lands nor place or erect thereon or bring thereto any buildings.
 - i) Not to place or erect upon the Lands any improvements, other than fences, without the prior written consent of the Lessor.
 - j) To indemnify and save harmless the Lessor against all manner of claims, damages, loss, costs and charges whatsoever, suffered by the Lessor or its property, either directly or indirectly, in respect of any matter or thing arising from the Lessee's use of the Lands or out of any operation in connection therewith.

k) To comply with all applicable environmental acts and regulations and to indemnify and save harmless the Lessor from any and all environmental liability to which the Lessor may become subject to as a direct or indirect result of the activities of the Lessee or permitted by the Lessee on the Lands.

6. **AND THE PARTIES HERETO** do further covenant and agree as follows:

a) Notwithstanding anything contained in this lease to the contrary, the Lessor may cancel this lease and this lease shall cease and determine as herein provided, that is to say:

i) for default by the Lessee in the payment of any rent due or in the performance of any of the conditions or agreements herein, after having given to the Lessee thirty (30) days notice in writing of its intention to do so;

ii) if the Lessee should become insolvent or bankrupt or subject to the provisions of The Bankruptcy Act or go into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or make a general assignment for the benefit of creditors;

iii) if the Lessee ceases to be a water user of the Taber Irrigation District;

and in any such case the Lessor may re-enter the Lands or any part thereof in the name of the whole and peaceably hold and enjoy thenceforth as if these presents had not been made, provided nevertheless that the Lessee shall continue to be liable to pay, and the Lessor shall have the same remedies for the recovery of any rent then due or accruing due as if the Lease had not been cancelled but remained in full force and effect.

b) The Lessee:

i) does hereby irrevocably constitute and appoint the Lessor as his agent and attorney for and on behalf of the Lessee to:

a) conduct negotiations with any "operator", as defined in the Surface Rights Act, and to enter into any agreement, settlement, or compromise therewith in respect of such operator's right of entry, use, and taking of the surface of the Lands or any part thereof pursuant to the provisions of the Surface Rights Act, and to appear at any hearing, application or proceeding before the Surface Rights Board or otherwise under the Act on behalf of the Lessee, and

b) do, perform and execute for the Lessee and on the Lessee's behalf all acts, things and deeds necessary or incidental to any request or application by any person for right of entry with respect to the Lands which the Lessee as occupant or otherwise might have done, and

ii) does wholly assign, transfer, surrender and set over to the Lessor any right, title and interest which the Lessee has, may have or may hereafter have whether as occupant or otherwise to any monies payable for compensation and entry fee in respect of any right of entry, use, or taking of the Lands by an operator whether as a result of an agreement, settlement or compromise or order of the Surface Rights Board for or in respect of any such entry, use or taking, and

iii) acknowledges, and the Lessor agrees, that nothing herein contained shall apply to any right which the Lessee may have with respect to loss, injury or damage to any livestock pastured on the Lands or to any authorized improvements belonging to the Lessee thereon.

c) The Lessee does hereby acknowledge and agree that the Lessor may in its sole discretion grant the right of entry to any seismic company to conduct seismic exploration and testing on the Lands, and the Lessee agrees that the Lessor shall be entitled to all compensation paid for such right of entry to the Lands whether for permit fee, entry fee or damages; provided however, that nothing herein shall deprive the Lessee from any claim it may have against such seismic company with respect to any loss, injury or damage done to any livestock pastured on the Lands or to any authorized improvements belonging to the Lessee thereon.

- d) The Lessor hereby reserves:
- i) the property in and right to the irrigation works on the Lands.
 - ii) the right to utilize and construct without making compensation therefore any access road, or any access road in lieu of, deviating from any road allowance.
 - iii) the right at any time to withdraw any part of the Lands required for the purposes of the Lessor's irrigation works.
 - iv) the right to erect or place any structures on the Lands for the purposes of the Lessor's irrigation works.
 - v) the right to enter on the Lands with or without vehicles, machinery, and equipment for any purposes of the Lessor, these purposes including constructing, repairing, maintaining, relocating, or abandoning any irrigation works that the Lessor requires at any location on the Lands, or for the obtaining of borrow material therefore, or the deposit of excess material therefrom and the Lessor shall not be liable for any loss, cost, damages or expenses which the Lessee may sustain or incur by reason of such public work unless the Lessee can prove that such damage occurred or was sustained as a result of negligence on the part of the Lessor.
 - vi) The development company has the right to access the lands during the lease period for the purposes of pre-construction activities. This includes but is not limited to activities such as soil testing, geotechnical investigations, and site surveys by drone or light vehicle. The development company will give 24 hours notice to the lessee before entering the property.
- e) The Lessor, its agents and employees may enter upon the Lands at any time with vehicles for the purposes of determining the compliance to the terms and conditions of this lease agreement.
- f) Where the Lessee has placed or erected improvements on the Lands with the prior written consent of the Lessor, or where the Lessee has erected fences on the Lands, the Lessee may, at the expiration or termination of this lease remove such improvements and fences from the Lands; or the Lessee may sell or transfer his interest in such improvements and fences to any other person; provided however, if the Lessee fails to remove such improvements and fences or fails to sell them to a person to whom the Lessor grants written permission to leave such improvements and fences on the Lands, within sixty (60) days from the date of the expiration or termination of this lease, the Lessee shall be deemed to have abandoned such improvements and fences, and the right and title in and to such improvements and fences shall thereupon vest in the Lessor, and the Lessee shall have no further rights with respect to them, nor shall the Lessee be entitled to any compensation therefor.
- g)
 - i) Any annual rent not paid when due pursuant to clause 3 herein, while it continues due and unpaid, shall be subject to the payment of a penalty on the first day of every July and January thereafter until the unpaid annual rent, and all accrued penalties are paid in full.
 - ii) Unpaid accumulated penalties shall also bear further penalties as provided for unpaid annual rent herein.
 - iii) The penalty rate shall be that rate as set by the Lessor from time to time in accordance with section 132 of the Irrigation Districts Act.
- h) No waiver on behalf of the Lessor of any breach of any of the conditions or agreements herein contained shall be made or be binding on it unless the same be expressed in writing and any waiver so expressed shall extend and apply only to the particular breach so waived and shall not limit or affect its rights in respect of any other or future breach.
- i) Any notice in writing which either party may give to the other with regard to any matter or thing in this lease contained may be validly and effectively given by mailing the same by prepaid registered post, addressed, if intended to the Lessor, to:

Taber Irrigation District
4420 - 44th Street
Taber, Alberta T1G 2J6

and if intended for the Lessee, to:

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- j) This agreement shall not be in force or bind any of the parties until executed by all the parties named in it.
- k) Time is of the essence in this agreement and if any party shall fail to perform the covenants on its part to be performed at the times affixed for performance under the terms of this agreement, the other parties may elect to terminate the agreement.
- l) No change or modification of this agreement shall be valid unless it be in writing and signed by all parties.
- m) It is agreed and understood that there is no representation, warranty, collateral term or condition affecting this agreement for which the parties can be held responsible in any way other than as expressed in writing in this agreement.
- n) The headings used in this agreement are for convenience only and are not to be considered a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.
- o) The invalidity of any particular provision of this agreement shall not affect any other provision of it, but the agreement shall be construed as if the invalid provision had been omitted.
- p) This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.
- q) It is agreed between the parties that the terms "Lessor" and "Lessee" as herein used shall include the feminine and plural where required by the context and shall also include the heirs, executors, administrators and assigns respectively.
- r) The Lessee does hereby accept this lease of the Lands to be held by him as Tenant, and subject to the conditions, restrictions and covenants implied and herein above set forth.

IN WITNESS WHEREOF the Lessor has caused its corporate seal to be affixed, attested to by the signature of its proper officer and the Lessee has hereunto affixed his hand and seal the day and year first above written.

TABER IRRIGATION DISTRICT

Per: _____
Mike Wind, Chairman

**Signed by Lessee in
the Presence of:**

Witness

Lessee: _____