

OFFER TO PURCHASE WATER RIGHTS
PARCEL 2

BY AND BETWEEN:

**RODNEY LESTER NELSON &
DEBRA LYNN NELSON**
(the "**Vendor**")

AND

(NAME OF HIGH REGISTERED BIDDER)
(the "**Purchaser**")

1. The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor 90 Irrigation Acres in the St. Mary River Irrigation District ("**SMRID**") (the "**Water Rights**") subject to the approval from the SMRID.
2. The Purchaser hereby offers to purchase the Water Rights for the sum of the Closing Bid on the CLHbid.com auction taking place on August 14, 2025 being \$_____ (the "**Purchase Price**"). The Purchase Price will be payable as follows:
 - \$ _____ 10% Deposit together with the Transaction Fee paid to the Vendor's Lawyer as further described in Section 3 and 8.
 - \$ _____ 90% balance payable to the Vendor's Lawyer as further described in Section 5.
 - \$ _____ **PURCHASE PRICE**
 - \$ _____ Transaction Fee payable at 1.25% + GST on the Purchase Price and in addition to the Purchase Price to be paid with the Deposit.
3. The Purchaser agrees to submit to the Vendor's Lawyer on or before 4:30 pm on August 15, 2025 an executed copy of this Offer along with a 10% deposit of the Purchase Price (by way of Bank Draft, Solicitor's Trust Cheque or Wire Transfer), to be held in trust by CLH Law (the "**Deposit**"). Provided that transactions set out herein are complete, the said Deposit shall be applied towards the payment of the Purchase Price on the Closing Date. For clarity, all legislative requirements of the SMRID must be met within 6 months of the Sale Date. In the event the legislative requirements are not met within 6 months of the Sale Date, the Purchaser shall have their full deposit returned and the application shall be deemed withdrawn, with no further obligation on either party. In the case the balance of the Purchase Price is not be paid within 30 days of the SMRID conditions being satisfied, the Vendor shall have the right to a) terminate the agreement with the deposit being forfeited or b) may claim interest as set out in Paragraph 6.

4. 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. For greater certainty, the Transaction Fee does not form part of the Purchase Price for the purposes of this section.
5. The Purchase Price shall be paid in full within 30 days of the SMRID conditions being satisfied (the "**Closing Date**").
6. 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 10% per annum on any money owing to the Vendor as at the Closing Date, from the Closing Date until that money has been paid.
7. The Purchaser is aware of the eligibility requirements (as set out in Schedule "A"), with SMRID, in order to have the Transfer Application (Section 26) processed successfully.
8. The Purchaser agrees to pay a non-refundable transaction fee equal to 1.25% of the Purchase Price plus GST (the "**Transaction Fee**").
9. The Purchaser acknowledges that the Transfer Fee (payable to the SMRID) and any costs associated to the purchase of the Water Rights shall be the sole responsibility of the Purchaser.
10. The Purchaser agrees that the Vendor has not made any representation, warranty, collateral agreement or conditions regarding the Water Rights which may in any way directly or indirectly affect the Water Rights or regarding this Offer other than what is written herein.
11. The Vendor represents and warrants to the Purchaser that they have good right, full power, and absolute authority to bind this Offer to the Purchaser and this Offer shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and subsequent purchasers.
12. 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.
13. 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.

14. This Agreement cannot be assigned by the Purchaser without the prior written consent of the Vendor. An assignment of this Offer includes any change in control of the Purchaser after this Offer is fully signed. The Purchaser acknowledges that the assignment does not release the Purchaser from its obligations under this Offer and confirms that the Vendor is entitled to any profit resulting from an assignment of the Offer by the Purchaser to any subsequent Purchaser.
15. This Offer shall be open for acceptance up to but not after 4:30 pm on August 18, 2025, and may be accepted by PDF email to the Purchaser.
16. Time shall be of the essence in this Offer.
17. 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.
18. This Agreement shall be interpreted, construed and enforced in accordance with, and the respective rights and obligations of the Vendor and the Purchaser shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction and venue of the Alberta Courts.
19. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.
20. This Agreement constitutes the entire agreement between the Vendor and the Purchaser with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided. This Agreement may only be amended or varied by further written agreement amongst the Parties hereto.

21. 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 on this ____ day of August, 2025.

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 Water Rights, hereby accepts the Offer and agrees to complete the sale of Water Rights on the terms and conditions in the Offer and should the Vendor fail to do so, the Purchaser at his option may cancel this Offer and may take such other remedies the Purchaser has at law.

Dated on this ____ day of August, 2025.

RODNEY LESTER NELSON

DEBRA LYNN NELSON

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

SCHEDULE "A"

BIDDING REQUIREMENTS AND SUMMARY FOR WATER RIGHTS

SALE INFORMATION:

Sale Date:	August 14, 2025
Start/ End Time:	9:00 AM MDT- 10:00 AM MDT
Parcel 1:	172 Permanent Irrigation Acres in the St. Mary River Irrigation District ("SMRID")
Starting Bid:	\$745,000.00
Parcel 2:	90 Permanent Irrigation Acres in the SMRID
Starting Bid:	\$380,000.00
Bidding Increments:	\$10,000.00

ADDITIONAL COST TO BE PAID BY THE HIGH BIDDER

Transaction Fee payable to CLHbid:	1.25% of the Purchase Price plus Goods and Services Tax ("GST")
SMRID Capacity Check (if required):	\$250.00 (exclusive of GST)
SMRID Transfer Fee:	\$100.00 / acre (exclusive of GST) for a total of \$17,200 + GST payable to the SMRID.

BIDDING REQUIREMENTS:

- The high bidder (the "Purchaser") must be the legal landowner listed on the land title for the land to which the permanent acres are being transferred onto. The land must be within an area that SMRID is able to service and must meet all the requirements of the Irrigation Districts Act. Each parcel is unique, and SMRID reviews are necessary to determine what is required.
- If easements or other legislative requirements such as a Land Classification are required by the Irrigation District Act, they shall be obtained by the Purchaser at their own expense.
- Any infrastructure or interconnection requirements to use the permanent irrigation acres will be at the Purchaser's expense.

WHAT TO EXPECT:

- The process to transfer irrigation acres is very dependent on the site specific requirements. It can take as little as a few days up to several months all depending on the specific land the acres are being transferred to.
- The transfer of the permanent irrigation acres will come into effect January 1, 2026. For clarity, the high bidder will be responsible for the irrigation rate for the 2026 season (2025 rate is currently \$33 / acre + GST)
- The Purchaser will be required to execute the Section 26 application form (provided by SMRID) and give a 10% Deposit of the Purchase Price, payable to CLH Law in trust, together with the Transaction Fee and any applicable Goods and Services Tax ("GST") within 48 hours of the sale.
- SMRID must have the capacity to service the lands. A capacity check is subject to a \$250 charge with the SMRID unless it is a known project. The capacity check is required to be completed by the SMRID Engineering Department and Operation & Maintenance Department to ensure that the SMRID can service the requested area.

- SMRID will need to review any land that is proposed to hold the irrigation acres. Irrigation acres are tied to specific lands and someone cannot own permanent irrigation acres outside of what the land title document shows ownership as. Meaning if someone buys the acres, they must be transferred off the Vendor's land onto their own property. This is subject to a \$100/ acre (exclusive of GST) transfer fee payable to the SMRID.
- If the land is not included in the SMRID district (no notation on Land Titles), a board motion and approval by the Irrigation Council will be required (this is a minimum three-month process before the irrigation acres can be moved). If the lands are in the district, a Land Classification may still be required (this is a legislative requirement. Any infrastructure required to connect to SMRID pipelines / canals will be the responsibility of the landowner and they will be required to obtain any required easements or access through neighboring lands. This may take time to negotiate. They may be required to sign a remote delivery or irrigable unit as required (this is provided by the SMRID). Please note a lawyer can prepare the easement agreement for you. Pivot packages providing detailed information as to how the land will be irrigated will be required as part of the submission.
- The remaining 90% of the purchase price shall be paid, to CLH Law in trust, within 30 days of the SMRID conditions being satisfied. If the balance of the purchase price is not paid within this timeline, the vendor shall have the right to a) terminate the agreement with the deposit being forfeited or b) may claim interest at the rate of 10% per annum on any money owing to the vendor until that money has been paid.
- All legislative requirements of the SMRID must be met within 6 months of the Sale Date. In the event the legislative requirements are not met within 6 months of the Sale Date, the Purchaser shall have their full deposit returned and the application shall be deemed withdrawn, with no further obligation on either party.
- If the successful bidder is not able to acquire the irrigation acres due to SMRID requirements, the irrigation acres will be offered to the next highest bidder.

SHOULD YOU HAVE ANY QUESTIONS OR CONCERNS:

- Please feel free to reach out to our team here with CLHbid.com or alternatively, you can reach out to the Town of Taber (with respect to Parcel 1) or St. Mary River Irrigation District (with respect to both Parcel 1 and 2 (private sale of Irrigation Acres)) directly. Their contact information is as follows:
 - Town of Taber: Megan Sushelnitski (Phone: (403) 223-5500 ext. 6012/ Direct: (403) 223-6012/ Cell: (403) 331-7602/ Email: Megan.Sushelnitski@taber.ca)
 - St. Mary River Irrigation District: Micaela Azzarello: Email: mazzarello@smrid.com

This statement is based on information provided to us. The information is believed to be correct, but its accuracy cannot be guaranteed. Errors and/or omissions discovered prior and after auction shall be adjusted directly between the parties. E. & O.E.