PARTIAL SUMMARY OF TERMS OF LEASE - Grazing:

- 1. Parcel is leased on an "as-is" basis.
- 2. Where a 15-year term applies, the annual rent payable for the first five years will be determined by the bid offered by the Lessee and accepted by the WID. Annual rent payable for Years 6 to 10 and 11 to 15, inclusive will be negotiated by the beginning of the 6th and 11th year respectively. If the parties are unable to reach agreement on rent payable for the next five-year period, appropriate rent shall be determined by arbitrators with rent being payable at the previous rate until such rate has been set by arbitration.
- 3. Payment for each year will be due the last day of March.
- 4. There will be no guaranteed provision for water supply, although if water is available on the parcel, if accessible will be provided at no additional charge for grazing livestock only. If the water supply is a well, access to water shall be considered the cased well only, and not including pumps, energy supply, piping and associated equipment.
- 5. There is no provision for irrigation on the parcel.
- 6. Where natural resource exploration and/or recovery operations or County or MD roadworks are being conducted on leased lands, the District shall enter solely into negotiations and receive all compensation. Where such operations materially change the land leased, or result in damage to fences or authorized improvements, the District may offer compensation to the Lessee or amend the annual rental with agreement from the Lessee. The Lessee agrees to willingly execute any agreements or documentation as may be required. This also applies to any pipelines or transmission lines.
- 7. The Lessor (WID) shall pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the term of the lease.
- 8. The Lessee will use the Lands only for the purposes of grazing and pasturing livestock thereon, or for such other uses expressly authorized in writing by the Lessor.
- 9. The Lessee will not cause or permit the said Lands or any part thereof to be grazed in such manner or to such extent as to impair the normal reproduction of vegetation thereon.

- 10. If the Lessor provides a Notice to the Lessee specifying that, in the opinion of the Lessor, the said Lands are being over-grazed; the Lessee will reduce the number of livestock maintained thereon for such periods of time as so specified in said Notice.
- 11. The Lessee shall not plough, break or cultivate the said Lands or any part thereof without the prior written consent of the Lessor.
- 12. The Lessee will not assign or transfer this lease or any part thereof or any interest therein, without the prior written consent of the Lessor; provided however that such consent shall not be unreasonably withheld.
- 13. The Lessee shall control all noxious weeds now growing or which may grow upon the said Lands, and to comply with provisions of the Environmental Protection and Enhancement Act and the regulations passed thereunder.
- 14. The Lessee will in all respects comply with the law relating to the control of livestock's contagious diseases and agricultural pests insofar as the same apply to the said lands.
- 15. The Lessee will erect and maintain fences around the said Lands to adequately contain the livestock pastured thereon, and to comply with the provisions of the Stray Animals Act.
- 16. The Lessee shall not reside upon the said Lands nor place or erect thereon, or bring thereto any buildings other than temporary shelters for livestock use.
- 17. The Lessee will not place or erect upon the said Lands any improvements, other than fences, without the prior written consent of the Lessor. The Lessor shall approve the location of fencing prior to installation by the Lessee.
- 18. The Lessee will indemnify 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 wherewith.
- 19. The Lessor reserves the right to cancel or reduce the size of the leased area with 90 days registered notice of same. The amount of the lease for the balance of the term will be reduced in a pro-rata fashion based on the number of acres removed from the leased parcel.