



**REQUEST FOR EXPRESSIONS OF INTEREST
SHULUS CATTLE CO. LTD. RANCH LEASE**

Important Disclaimer

This is an invitation for expressions of interest from interested parties and not a tender call.

See extended disclaimer provisions and process explanation on pages 4-6 below.

STATEMENT OF PURPOSE

Shulus Cattle Co. Ltd. (SCC) owns land, water licences and a range tenure. Lower Nicola Indian Band Development Corporation (LNIBDC) owns SCC.

SCC wishes to enter into a long-term arrangement with a tenant who will operate the SCC ranch, and for that purpose SCC issues this request (RFEOI) for expressions of interest (EOI). SCC's objectives are to:

- maximize the economic benefit to LNIBDC and, indirectly, Lower Nicola Indian Band (LNIB), LNIB members and LNIB-controlled businesses and member-controlled businesses;
- ensure that the ranch is operated in an environmentally sustainable manner;
- realize for SCC/LNIBDC a full and appropriate value from the SCC assets;
- ensure that the appurtenant water licences and range tenure are used in compliance with regulatory requirements and further are used co-operatively with the other graziers with whom SCC shares a range unit;
- work with an EOI proponent who will work in a fair and mutually respectful way with SCC, LNIBDC, and LNIB government and members.

The initial intended lease term is 5 years, with a potential five-year renewal. An initial trial period of one year may be mandated if the proponent of the preferred EOI does not have a prior relationship with SCC.

Alternate EOIs will be considered along with EOIs for the suggested 5+5 year lease. Consideration will be given to EOI involving two proponents, as well as to EOIs involving a sole proponent, provided that the respective responsibilities of each party comprising a two- or multi-party proponent, are clearly set out in the EOI.

BACKGROUND INFORMATION

SCC owns 14 titles of deeded land to this RFEOI, water licences, and a range tenure on Coutlee Plateau and Promontory range units all as described in Schedule 1. The deeded land is all appurtenant land to the range tenure.

The deeded land, water licences, and the range tenure will be the subject of the lease.

Schedule 1 contains a list of the deeded land, and the terms of the water licences and range tenure. Schedule 2 contains a map of District Lots 129 and 131, and a map of the deeded lands and range tenure areas.

COMPONENTS OF THE EXPRESSION OF INTEREST TO LEASE

The lease will include irrigated forage production on District Lot 129, potentially irrigated forage production on District Lot 131, and cattle grazing under the terms of the Range Use Plans for the two range units, on the range tenure and the remaining deeded lands.

Production and grazing methods and management must be stipulated in the operational plan to be included in a proponent's EOI, along with rent offered and any other lease terms proposed by the proponent.

If a proponent intends to contract, subcontract or sublease any part of the tenant's activities under the lease, full details of the contractor/subcontractor/subtenant must be disclosed with the EOI.

LEASE REQUIREMENTS AND PERFORMANCE STANDARDS

The selected proponent will operate with sound agricultural and grazing practices, in compliance with the proponent's operational plan that must be submitted as part of the EOI, and in compliance with the range tenure range use plans. SCC will maintain oversight of the tenant's operations under the lease. The lease will include reporting and accountability provisions.

The preferred proponent will supply all labour, supplies, machinery and equipment (including tenant's own irrigation equipment if the tenant does not wish to use that now located on SCC land), and will be solely responsible for maintenance of existing facilities and for payment of all operational expenses and for reimbursement of SCC for property taxes, water licence fees, and range fees.

SCC will supply existing irrigation water diversion from Guichon Creek, ditch, existing pumps, and wheel move and hand move irrigation equipment, on an "as is where is" basis. Maintenance of these assets will be the responsibility of the tenant. Replacement of equipment will be the responsibility of the tenant.

The tenant will be required to have liability insurance of a minimum of \$5,000,000 and other insurance normally required in a lease of agricultural land. Tenant will also be required to provide farm gate revenue information to the British Columbia Assessment Authority, immediately upon SCC'S request, for the purpose of maintaining SCC'S farm classification for property tax assessment purposes.

TERM OF CONTRACT

The lease will start when SCC has selected the preferred proponent, the lease terms have been agreed, and the agricultural lease has been signed.

The first lease term will end on January 31, 2022, unless an initial one-year trial period is mandated or unless otherwise agreed with the preferred proponent.

Unless otherwise agreed with the preferred proponent, the tenant will have a right of renewal from February 1, 2022 to January 31, 2027, at a rent to be negotiated or, failing agreement, arbitrated.

REQUIREMENTS FOR EOI – TO BE SUBMITTED BY APRIL 3 2017

The requirements for an EOI are:

- compensation offer for five year lease, including amounts and timing of payments
- operating plan including detail as to agronomic and range management practices
- current corporate search for any incorporated entities, and copies of the central securities register and register of directors
- complete list including names, addresses, email addresses and telephone numbers for the proponent and all contractors, subcontractors, subtenants who may be working on the SCC lands or range tenure; or if incorporated, then a current corporate search and copies of the respective central security registers and registers of directors
- names and addresses of Lower Nicola Indian Band members who are associated with or will be working with the proponent
- EOI to be signed by proponent
- overview of the proponent's business with specific reference to examples of the following:
 - expertise in managing beef cattle on Crown range in British Columbia in compliance with Ministry of Forests Lands and Natural Resource Operations requirements;
 - expertise in managing irrigated forage crops or alternative crops if proposed by the proponent
 - compliance with environmental regulations including those for agricultural production;
 - standards and practices for incident management;
 - experience working with First Nations people and First Nations' owned and operated corporations

- details of proponent's compliance history including workplace health and safety regulatory compliance;
- details of proponent's financial and reporting systems to be employed in context of a relationship with SCC/LNIBDC, including for information sharing;
- describe how proponent would work with SCC/LNIBDC, LNIB members and LNIB-controlled businesses to develop capacity and expertise;
- describe any elements of the legacy that the proponent would leave behind at the end of the lease;
- provide biographies of key personnel who would be responsible for the relationship with SCC/LNIBDC;
- describe how the proponent would meet the staffing requirements of ranch operation;
- describe the proponent's financial condition and operational capacity to undertake a multi-year commitment to manage, maintain and improve SCC's assets, including the proponent's ability to hire and maintain an appropriately skilled and trained workforce, and ability to acquire and maintain appropriate equipment; and
- describe how the proponent would mitigate financial and operational risk to LNIBDC and LNIB.

EXPANDED DISCLAIMER, EVALUATION AND AWARD PROCESS

All EOIs are to be delivered to the Lower Nicola Indian Band Development Corporation, 181 Nawishakin Lane, Merritt, BC V1K 0A7 by 4:00 p.m. on April 3, 2017.

Notwithstanding any submission in response to this RFEOI, neither the proponent nor SCC/LNIBDC is under any obligation whatsoever to the other, including without limitation any obligation to enter into any negotiations or agreement. SCC/LNIBDC may, at any time and in its sole discretion, elect to suspend, vary or terminate this RFEOI in whole or in part. Proponents may, at any time and in their sole discretion, withdraw or vary any response to this RFEOI.

Upon reviewing responses to this RFEOI, SCC/LNIBDC may in its sole discretion commence negotiations with one, several, all or none of the proponents, taking into account whatever factors SCC/LNIBDC in its sole discretion deems relevant (which factors are specifically not limited to proposed price or fees). There is absolutely no duty on SCC/LNIBDC to enter into negotiations or an agreement with any proponent and SCC/LNIBDC is not obligated to proceed with any proponent in any manner.

In addition, SCC/LNIBDC reserves the right, in its sole discretion, to (i) enter into negotiations with any number of proponents concurrently; (ii) consider EOIs from interested parties submitted extraneously to this RFEOI process; (iii) issue another RFEOI or a similar such request after having reviewed the responses submitted pursuant to this RFEOI; and (iv) extend this RFEOI process as long as it sees fit.

SCC/LNIBDC does not assume any legal obligation to any person whatsoever in respect of this RFEOI or responses to it until such time as a definitive agreement or agreements (if any) have been entered into with a proponent or proponents. For greater certainty, SCC/LNIBDC will not owe any obligations in contract, tort or administrative law to any party until such time as a definitive agreement is entered into with such party and will not have any liability for any claims or losses that may result until such time.

SCC/LNIBDC does not give any representation or warranty regarding the accuracy or completeness of the information provided in this RFEOI or any additional information provided to respondents. Interested parties should make their own independent assessment of this RFEOI and any information set out herein or otherwise provided.

SCC/LNIBDC is not responsible for any costs incurred by interested parties in the preparation of responses to this RFEOI. All costs incurred by respondents in any way related to this RFEOI and/or any related process (including any negotiations) are at their sole cost and expense.

All information provided to, or otherwise acquired by, interested parties in relation to this RFEOI, except as may be publicly disclosed by LNIBDC from time to time, must remain confidential and may not be disclosed by such interested parties to third parties without the prior written consent of SCC/LNIBDC. Interested parties may at any point be required to enter into a confidentiality agreement in a form acceptable to SCC/LNIBDC. Parties who submit a response to this RFEOI thereupon undertake to ensure that this obligation of confidentiality will survive the RFEOI and any non-binding term sheet or definitive agreement that the parties may negotiate.

Responses shall become the property of SCC/LNIBDC. SCC/LNIBDC shall not be required to return responses. SCC/LNIBDC may reproduce any response for internal use or for any other purpose required or permitted by law. Responses are subject to disclosure by SCC/LNIBDC as required by law.

LNIBDC will not be responsible for any costs, expenses, loss, damage, or liability incurred or suffered by a proponent as a result of or arising out of:

- the submission of a proposal to this RFEOI;
- participation in the RFEOI process; or
- the identification or non-identification by SCC/LNIBDC of any preferred proponent.

Process

SCC/LNIBDC will review responses to this RFEOI and may, in its sole discretion, identify one or more potentially suitable proponents for the lease of the SCC assets.

Subject to the Disclaimer information on pages 1 and 4-6 of the RFEOI, upon selecting one or more suitable proponents, SCC/LNIBDC may enter into negotiations to settle a non-binding term sheet with each such proponent in parallel. SCC/LNIBDC may concurrently engage in such negotiations with more than one proponent.

SCC/LNIBDC may make a final selection of its preferred proponent, if any, based on these negotiations and the resulting non-binding term sheets. SCC/LNIBDC is under no obligation to select any proponent or proponents.

SCC/LNIBDC may attempt to negotiate a lease with one or more preferred proponents, but will be under no obligation to settle or enter into a lease with a preferred proponent, including without limitation if negotiations do not result in terms and conditions that are to the satisfaction of SCC/LNIBDC in its sole discretion.

The form and substance of a lease and the structure of the relationship to be entered into between SCC/LNIBDC and any preferred proponent will be based on the non-binding term sheet and subsequent negotiations. SCC/LNIBDC may, in its sole discretion, determine that it is appropriate to enter into a lease with more than one party in order to satisfy its objectives with respect to the SCC assets, and may at any time elect not to enter into any lease.

Preferred proponents will be required to provide SCC/LNIBDC with funding to pay for SCC/LNIBDC's costs related to negotiating a binding term sheet and lease. SCC/LNIBDC may request additional funding in the case of protracted negotiations.

The use of the word "proponent" in this RFEI does not preclude SCC/LNIBDC's consideration of working with more than one proponent, nor does it predetermine the form of commercial arrangement that any relationship will take, provided that a lease of SCC assets is the SCC/LNIBDC objective.

Expression of interests do not constitute a tender and do not represent an offer to create binding contractual relations upon the submission of an expression of interest.

Proponents are encouraged to leave their expression of interests open until April 30, 2017.

The highest or any expression of interest will not necessarily be selected.

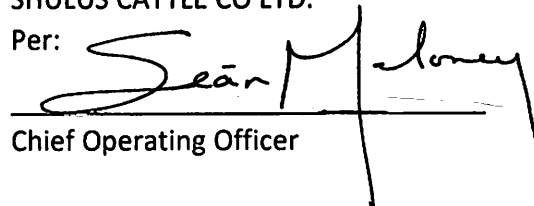
CONTACT AND QUESTIONS

Please email questions to s.maloney@lnibdevcorp.com. Deliver a complete copy of bid to the Lower Nicola Indian Band Development Corporation address, above, by 4:00 p.m. on April 3, 2017.

Dated this 27th day of March, 2017.

SHULUS CATTLE CO LTD.

Per:



Chief Operating Officer

SCHEDULE 1

LIST OF DEEDED LANDS, TERMS OF WATER LICENCES, RANGE TENURE

Deeded Land

Legal	*Assessment Authority Size	Notes
District Lot 129 Kamloops Division Yale District	319.39 acres	At least 180 acres cultivated and irrigated <u>excluding</u> residence on property
“Coyle” – District Lot 131 together with that portion of road shown outlined green on Plan H76; Kamloops Division Yale District except Plans 2745D, B1461, 11337, 11559, 14556, KAP48615 and H76	278.87 acres	Portions cultivated and irrigated; <u>excluding</u> community garden and small acreage near school
“Dry Pasture” – District Lot 177 Kamloops Division Yale District except Parcel A (Plan B430) Plan H842 and Plan H18324	85.71 acres	
“Dry Pasture” District Lot 537 Kamloops Division Yale District except Plans H842 and H18324	318.74	
“Wallace Field” – District Lot 4434 Kamloops Division Yale District	160 acres	
“Wallace Field” – District Lot 4433 Kamloops Division Yale District	160 acres	
“Wallace Field” – District Lot 4436 Kamloops Division Yale District	160 acres	
“Little Morgan” – District Lot 1890 Kamloops Division Yale District	144.76 acres	
“Little Morgan” – District Lot 1891 Kamloops Division Yale District	144.76 acres	
“Little Morgan” – District Lot 3647 Kamloops Division Yale District	87.2 acres	
“Little Morgan” – North West ¼ of District Lot 1425 Kamloops Division Yale District	163 acres	

Legal	*Assessment Authority Size	Notes
“Marcus Field” – South East ¼ of District Lot 1422 Kamloops Division Yale District	160 acres	
“Marcus Field” – South West ¼ of District Lot 1423 Kamloops Division Yale District	160 acres	
“Marcus Field” – North West ¼ of District Lot 1420 Kamloops Division Yale District	160 acres	

*Acreages per B.C. Assessment Authority are not guaranteed parcel sizes.

Water Licences

Final Water Licence 6457 on Guichon Creek, precedence date October 12 1878, irrigation purpose, 566 acre feet per annum on 188.5 acres of District Lot 129 Kamloops Division Yale District.

Final Water Licence 8936 on Mamette Lake and Guichon Creek, precedence date October 21, 1920, storage purpose, 377 acre feet per annum pursuant to FWL6457.

Conditional Water Licence C131459 on Guichon Creek, precedence date July 26, 1923, stream storage purpose, 84 acre feet per annum pursuant to CWL131460.

Conditional Water Licence C131460 on Guichon Creek, precedence date September 1, 1873, irrigation purpose, 84 acre feet per annum on Eastern Portion of District Lot 131.

Conditional Water Licence C53593 on Nicola River, precedence date March 22, 1978, irrigation purpose, 50 acre feet per annum on District Lot 131 south of CN Railway ***NOTE Ministry of Environment website indicates this licence is in process of cancellation.*

Range Tenure

Range Tenure in n/o Shulus Cattle Company Ltd., RAN 077659 on Coutlee 3070 and Promontory 3066 range units. Issued January 1, 2014 for a 10 year term, expiring December 31, 2023.

Authorized use is 1751 AUMs.

Coutlee Grazing Schedule:

May 10 to June 1 – Mine Field – 204 yearlings – with Ewalt and Schindler (yearlings) and cow-calf pairs and bulls (Kuiper and Neale)

June 2 to June 10 – Breeding Field – 204 yearlings with Ewalt and Schindler

June 11 to October 1 – McInnis (North) Field – 204 yearlings with Ewalt and Schindler

October 2 to October 15 – Two Field – 204 yearlings with Ewalt and Schindler; October 8 to October 15 Kuiper and Neale cow-calf pairs

Promontory Grazing Schedule:

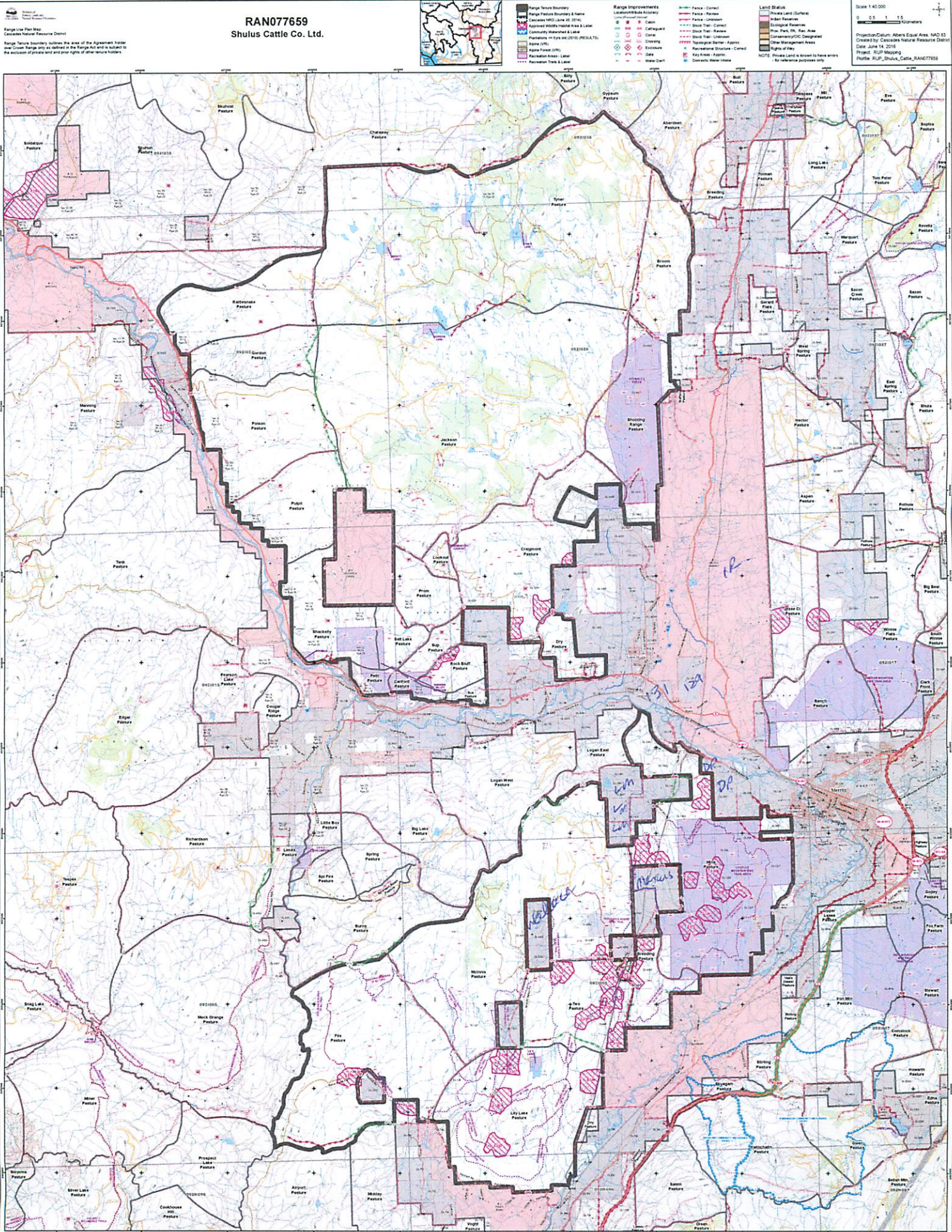
June 7 to June 28 – Shooting Range Pasture – 250 cow-calf pairs, 12 bulls, 50 yearlings – no other tenure holders

June 29 – August 31 – Tyner Pasture/Jackson Pasture – same number, no other tenure holders

September 1 – September 15 – Broom Pasture/Shooting Range Pasture – same number, no other tenure holders.

SCHEDULE 2

MAPS OF LANDS AND RANGE TENURE



MAP OF DL 129 AND Rem. DL 131
 KAMLOOPS DIVISION YALE DISTRICT
 (SHULUS CATTLE CO. LTD.)

0 100 200 300 400 500
 SCALE 1 : 7000

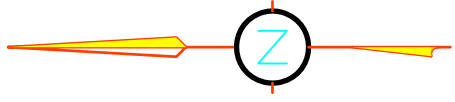
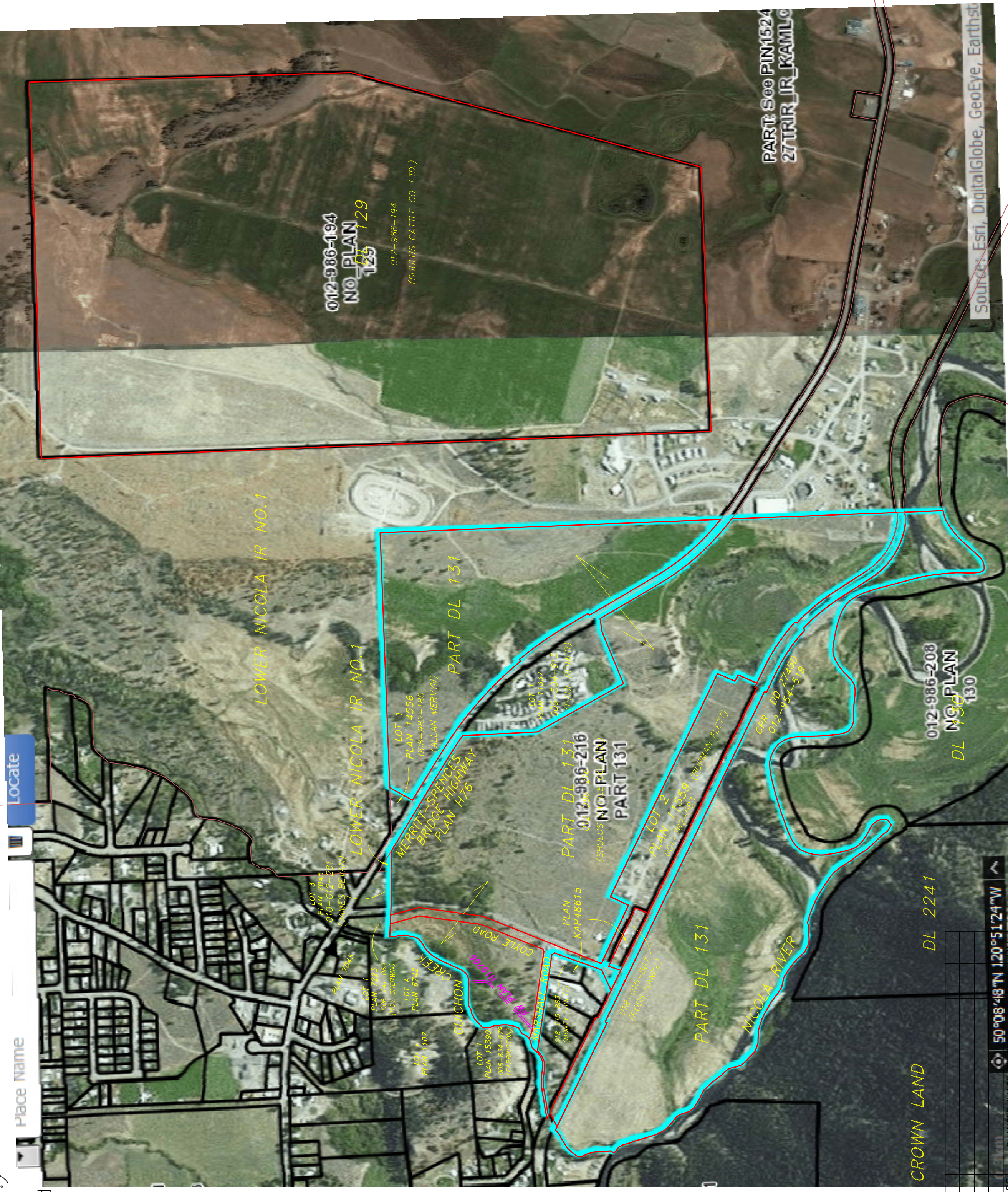


IMAGE FROM PARCEL MAP BC



NO.	DATE	DESCRIPTION	DRWN	CKD
2	170320	CHANGED IMAGE TO 170320	MM	MM
1	170320	CHANGED IMAGE TO GOOGLE EARTH	MM	MM

THIS PLAN SUPERSEDES ALL PREVIOUSLY DATED PROPOSALS



Allnorth Land Surveyors
 #301-7 ST. PAUL STREET WEST,
 KAMLOOPS, BC, V2C 1E9
 TEL: 250-374-5331 FAX: 250-374-5332
 DRAWN BY: MM
 FILE NO: 17LS0166
 FB: P:

Source: Esri, DigitalGlobe, GeoEye, Earthstar