

AGRICULTURAL LEASE
BETWEEN
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
AND

Date: _____

IN CONSIDERATION of the mutual promises, obligations and agreements herein set forth, the parties hereto agree as follows:

The **CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT**, a public corporation and political subdivision of the State of Nebraska, P. O. Box 740, Holdrege, Nebraska 68949-0740, telephone (308) 995-8601, hereinafter referred to as "DISTRICT," hereby leases to: **NAME, ADDRESS, AND CONTACT INFORMATION FOR TENANT**, hereinafter referred to as "TENANT," the following described real estate, hereinafter referred to as "LEASED PREMISES," located in Dawson County, Nebraska.

The Leased Premises consist of the land described as follows:

Two tracts of land located adjacent to Gallagher Canyon containing a total of 81.0 acres, more or less, and being more fully described as follows: A tract of land in the Northeast Quarter (NE¹/₄) of Section Thirty (30), Township Nine (9) North, Range Twenty-Three (23), in Dawson County, Nebraska, containing 59.2 acres, more or less. A tract of land extending to the north line of the Northeast Quarter (NE¹/₄) of Section Thirty (30), Township Nine (9), Range Twenty-Three (23) and into the Southeast Quarter (SE¹/₄) of Section Nineteen (19), Township Nine (9), Range Twenty-Three (23), all West of the Sixth Principal Meridian, in Dawson County, Nebraska, containing 21.8 acres, more or less.

Leased Premises are more specifically shown in Exhibit A, which is attached hereto and by this reference is made a part hereof.

1. TERM

1.1 This Lease shall be for a term of three (3) years beginning on March 1, 2017, and ending on December 31, 2019.

2. RENT

2.1 Rent for the LEASED PREMISES shall be as follows:

<u>USE</u>	<u>ANNUAL RENT PER ACRE</u>	<u>TOTAL ACRES</u>	<u>TOTAL ANNUAL RENT</u>
IRRIGATED GRAVITY	\$ _____	<u>81.0 AC.</u>	\$ _____
	TOTAL ANNUAL CASH RENT		\$ _____

2.2 Rent for the first lease year under this Lease is due and payable to DISTRICT upon the execution of this Lease and for each lease year thereafter the annual rent is due and payable to DISTRICT in advance on or before March 1 of each year during the term of this Lease, and time is of the essence of said payment.

2.3 DISTRICT shall have the right to withdraw any and all portions of the LEASED PREMISES as it may desire by written notice to the TENANT prior to March 1 of any calendar year, in which event the amount of the LEASED PREMISES so withdrawn shall be released from the provisions of this Lease and the rent thereafter shall be reduced at the per acre rate shown above for the acreage so withdrawn. Once crops have been planted, TENANT shall have the right to harvest the crop planted on the portion of the LEASED PREMISES withdrawn prior to DISTRICT occupation of the said withdrawn LEASED PREMISES begins.

3. LIMITATIONS OF LEASEHOLD

3.1 The LEASED PREMISES are to be used for agricultural purposes and for no other purposes. TENANT will not use the LEASED PREMISES to carry on, or permit upon said premises any nuisance or anything against public policy, nor use or allow the same to be used for any illegal purpose. TENANT agrees that nothing in violation of any federal, state or municipal law or ordinance shall be done, maintained or permitted in

or upon said premises or any part thereof.

3.2 TENANT shall not unduly restrict public access to FERC Project No. 1417 (Project) water. TENANT shall take all reasonable precautions to ensure that construction, operation, maintenance, repair, inspection, use, and removal of structure(s) on the LEASED PREMISES will occur in a manner that will protect the scenic, recreational, and environmental values of the Project. The use of the LEASED PREMISES shall not endanger health, create a nuisance, or otherwise be incompatible with the overall Project recreational use. DISTRICT retains the right to enforce these provisions by any reasonable means including, without limitation, the right to perform inspections, implementation of a permitting system, direction to cease inappropriate land use or to remove inappropriate structure(s), and termination of this Lease.

3.3 It is understood and agreed that TENANT'S possession and use of said LEASED PREMISES is subject to the right of DISTRICT to go on said real estate for the operation and maintenance of its works of internal improvement. Said works of public improvement, including the LEASED PREMISES herein, are owned by DISTRICT and must be operated and maintained for primary purposes other than the purpose for which TENANT proposes to use the same and that such primary purposes must be of first consideration to all parties interested in this Lease; that this Lease is subject to the rights of DISTRICT to so operate and maintain such public works and if DISTRICT at any time determines that it is necessary to enter upon any part of the area covered by this Lease with workers, machinery or equipment and do any kind of work whatsoever thereon including excavation, construction, building structures or removal of structures, that it may do so without responsibility or liability of any kind whatsoever to TENANT or anyone holding by, through or under TENANT.

3.4 That said works of public improvement, including the LEASED PREMISES herein, are owned by the DISTRICT and must be operated and maintained for primary purposes other than the purpose for which the TENANT proposes to use the same and that such primary purposes must be of first consideration to all parties interested in this Lease; that this Lease is subject to the rights of the DISTRICT to so operate and maintain such public works and if the DISTRICT at any time determines that it is necessary to enter upon any part of the area covered by this Lease with workers, machinery or equipment and do any kind of work whatsoever thereon including excavation, construction, building structures or removal of structures, that it may do so without responsibility or liability of any kind whatsoever to the TENANT or anyone holding by, through or under the TENANT, and that if the DISTRICT has a reasonable opportunity to do so, that it will notify the TENANT of its intentions before entering upon said LEASED PREMISES but it shall not be liable if such notice is not given; and such rights reserved to the DISTRICT shall include but not be limited to the right to enter upon said LEASED PREMISES whether or not any kind of work is actually done upon said LEASED PREMISES.

4. COVENANTS OF TENANT

4.1 TENANT will care for the LEASED PREMISES in an efficient and husbandry-like way, will do the fertilizing, seeding, cultivating, harvesting, grazing and other farming activities in a manner that will conserve DISTRICT'S property, at the proper time and in the proper manner. TENANT will keep the LEASED PREMISES neat and orderly.

4.2 TENANT will not commit waste on or damage to the LEASED PREMISES and will use due care to prevent others from so doing.

4.3 TENANT will prevent overgrazing and will manage grassland in a manner that will prevent its deterioration.

4.4 TENANT will use diligence to prevent noxious weeds from going to seed on the LEASED PREMISES and will destroy the same.

4.5 MAINTENANCE AND IMPROVEMENTS.

4.5.1 TENANT will not, without written consent of DISTRICT, (a) erect or permit to be erected on the LEASED PREMISES any non-removable structure or other improvement, or (b) incur any expense to DISTRICT for such purpose.

4.5.2 TENANT will keep the fences and other improvements on the LEASED PREMISES in as good condition and repair as they are when TENANT takes possession, and in as good repair and condition as they may be put during the term of this Lease, ordinary wear and tear, loss by fire, or unavoidable depreciation or destruction accepted.

4.5.3 TENANT shall not break up established terraces, watercourses or ditches, or undertake any other operation that will permanently alter or injure the LEASED PREMISES.

4.5.4 TENANT shall not cultivate, plow or otherwise mechanically disturb pasture, hayland, grassland or meadow land without the written consent of DISTRICT.

4.5.5 TENANT shall not permit livestock to go upon the works of internal improvement which DISTRICT may have upon the LEASED PREMISES or adjoining thereto.

4.6 TENANT shall follow all label restrictions and instructions in the use of all fertilizers, pesticides, herbicides and other chemicals which may be applied to the LEASED PREMISES. TENANT further agrees that all waste will be disposed of in a manner as approved by all federal and state environmental agencies and

regulations. TENANT hereby indemnifies DISTRICT from any loss, liability, claim, or expense, including, without limitation, clean-up, engineering and attorney fees, and expenses that DISTRICT may incur by reason of the use, generation or disposal by TENANT of any toxic or hazardous waste or substance on or about the LEASED PREMISES, or by reason of any investigation or claim of any governmental agency in connection therewith. This indemnity shall survive the term of this Lease or any extension hereof.

4.7 TENANT shall comply with all government programs to which the LEASED PREMISES may be subject during the term of this Lease. Upon modification of any such program, TENANT shall plan and perform according to such modification so as not to jeopardize the rights of DISTRICT and the LEASED PREMISES to further participation in government programs. The LEASED PREMISES shall not be combined with any other tract operated by TENANT for government program purposes without the prior written consent of DISTRICT.

5. ASSIGNMENT OR SUBLEASING

5.1 TENANT shall not encumber, assign, sublet or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest to the LEASED PREMISES or any of the improvements that may now or hereafter be constructed or installed on the LEASED PREMISES, or allow any other person to occupy or use the LEASED PREMISES or any part thereof without the prior written consent of DISTRICT.

6. TAXES

6.1 TENANT shall pay, as additional rent, all taxes, assessments and other public charges, for public improvements or otherwise, lawfully levied, assessed or imposed, applicable for the term of this lease by any governmental authority, upon the LEASED PREMISES and any structures or improvements now or hereafter levied thereon or upon DISTRICT by reason of TENANT'S use of the LEASED PREMISES. For the term of this lease, TENANT shall be obligated to pay taxes, assessments and other charges for the period March 1, 2017, through December 31, 2019. The 2017 taxes will be due, as rent, when assessed, on or before January 1, 2018. The 2018 taxes will be due, as rent, when assessed, on or before January 1, 2019. The 2019 taxes will be due, as rent, when assessed, on or before January 1, 2020.

7. DEFAULT

7.1 TENANT agrees that in the event TENANT shall not keep and perform each and all of the covenants and agreements contained herein or otherwise implied or imposed upon TENANT by law, TENANT shall forfeit all rights to further occupancy of the LEASED PREMISES and DISTRICT shall be entitled to reenter the LEASED PREMISES without the necessity of legal process for recovery of the LEASED PREMISES. In the event of any breach of any covenant or agreement prescribed in this Lease, or arising by operation of law, DISTRICT shall be entitled to maintain an action in equity or at law for the appropriate remedy, or, at the option of DISTRICT, DISTRICT may declare this Lease terminated without waiver of any rights or remedies which DISTRICT otherwise has as a result of this Lease, and DISTRICT shall be entitled to immediate possession of the LEASED PREMISES. It is agreed that time is of the essence of this Lease.

8. SURRENDER

8.1 TENANT agrees that at the expiration of the term of this Lease or upon termination of this Lease in any manner herein provided, TENANT will surrender peaceable possession of said LEASED PREMISES without notice or demand from DISTRICT.

9. GOVERNING LAW

9.1 This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Nebraska.

10. WAIVER

10.1 The failure or delay of DISTRICT to exercise any right or privilege under this Lease shall not be held a waiver of any of the terms, covenants, or conditions of this Lease and any acts of DISTRICT waiving or which may be held to have waived, any specific default of TENANT shall not be construed or held to be a waiver of any future default.

11. JOINT AND SEVERAL LIABILITY

11.1 If there is more than one person liable under this Lease, the liability of each shall be joint and several.

12. SEVERABILITY

12.1 If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is held invalid, the remainder of the Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

13. ENTIRE AGREEMENT

13.1 This Lease shall be the entire and only agreement between these parties regarding this subject matter. This Lease shall not be modified or amended, except that the same be in writing and signed by

DISTRICT and TENANT hereto after the officers of DISTRICT are authorized to do so by their Board of Directors.

14. CAPTIONS AND HEADINGS

14.1 The captions and headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision or the scope or intent of this Lease nor in any way affect this Lease.

15. BINDING

15.1 The covenants and agreements herein contained shall extend to and be binding upon the successors, assigns, heirs, and personal representatives of the parties to this Lease.

16. SPECIAL PROVISIONS

- 16.1 Water rights are available to TENANT for use on the LEASED PREMISES.
- 16.2 DISTRICT is not including irrigation equipment in this Lease.
- 16.3 Grazing is limited to the boundary of crop fields on the LEASED PREMISES.
- 16.4 TENANT shall not hay or allow livestock to graze in the grassland areas.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

ATTEST: THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT, as DISTRICT,

Assistant Secretary
(CORPORATE SEAL) By _____
General Manager

_____, TENANT _____, TENANT

STATE OF _____) --- NOTARY ---
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____,

By _____.

(Notary) _____
(Seal) General Notary Public
My Commission Expires: _____

STATE OF _____) --- NOTARY ---
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____,

By _____.

(Notary) _____
(Seal) General Notary Public
My Commission Expires: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF PHELPS)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____,
by **DON KRAUS, General Manager of THE CENTRAL NEBRASKA PUBLIC POWER AND
IRRIGATION DISTRICT**, a public corporation, on behalf of the corporation.

(Notary)

(Seal)

My Commission Expires: _____ General Notary Public _____

Approved by the District's Board of Directors on (date) _____ Asst Secy _____

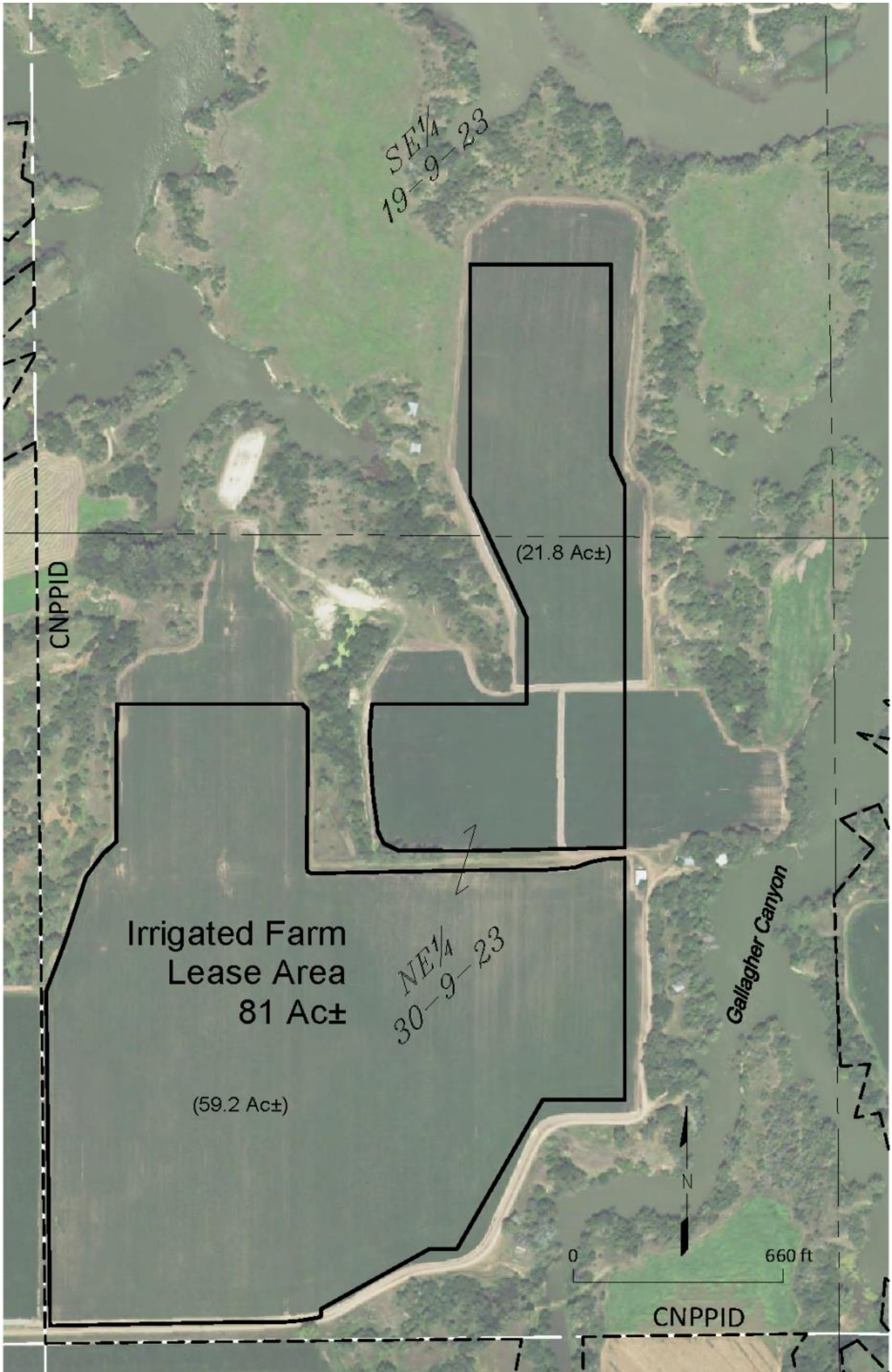


EXHIBIT A