

APPLICATION FOR EDUCATIONAL LAND LEASE

Plat No. _____

Lease No. _____

The undersigned Applicant, whether one or more:

Name _____

Telephone No. _____

Cellular No. _____

Address _____

E-mail _____

hereby makes application to the Board of Educational Lands and Funds for a lease covering the following land:

Section _____ Township _____ Range _____ of the 6th P.M. _____ County, Nebraska.

Applicant agrees to pay and herewith tenders \$ _____ as rental for the first year of the lease, which period ends on _____, 20 _____, and further tenders \$ _____ as a bonus for said lease. In addition, Applicant shall, within thirty (30) days of the date of Board approval of this application, deposit with the County Treasurer of _____ County, \$ _____ which is the value of the improvements and/or growing crops, if any, presently owned by _____

Applicant submits the following (with respect to all Applicants, each of whom must qualify and be eligible):

Are you of legal age, or a corporation (or other legal entity) authorized to do business in the State of Nebraska? _____

Do you owe any past due rental to the Board? _____

This application is incorporated in and made a part of the following lease as fully as if set forth verbatim therein and the undersigned's execution of said lease, as Lessee, also is and constitutes the undersigned's execution of this application as the Applicant for said lease.

EDUCATIONAL LAND LEASE

THE BOARD OF EDUCATIONAL LANDS AND FUNDS OF THE STATE OF NEBRASKA, hereinafter referred to as the "Board", pursuant to and by virtue of the power and authority vested in it by the Constitution, Enabling Act and laws of the State of Nebraska and in consideration of the rents to be paid and the terms and conditions hereinafter set forth to be met and complied with by the Lessee, does hereby lease and let unto _____

hereinafter referred to as "Lessee", whether one or more, and Lessee does hereby lease from the Board, the following described tract or parcel of land situated in the County of _____, Nebraska:

hereinafter referred to as the "land", including any and all adjacent real estate lying inside of the existing boundary fences or current farm use lines, subject to all easements, restrictions, reservations, rights-of-way, other matters of record and all public roads; and upon and subject to all of the terms and conditions hereinafter set forth. The total number of acres leased herein has, at the discretion of the Board, been determined by the Nebraska State Surveyor's Office utilizing surveys of record, if available; if such surveys were not available, the total number of acres has been determined by the Surveyor's Office using either a geographic information system (GIS) or County Assessor records.

Lessee shall promptly pay semi-annually, in advance, on or before the first day of January and the first day of July in each year to the Board at its office in Lincoln, Lancaster County, Nebraska, for the use of the land, rental in the amount determined and established by the Board in accordance with law. In the event any payments are past due or additional charges are otherwise appropriate, Lessee shall also pay any and all interest, fees and other charges which are made by the Board in accordance with law or the Board's Rules And Regulations. Payments made by Lessee to the Board shall be applied first to interest, second to fees, third to irrigation and other special charges, and last to rental. Upon Lessee's failure to pay any rental for a period of 60 days from the time the same becomes due, or upon Lessee's failure to perform any of the other covenants hereof, this lease shall be subject to termination by the Board, as provided by law; PROVIDED, HOWEVER, that such termination shall not be construed to prevent the Board from bringing any action for the recovery of any unpaid rental and damages for breach of any covenants including, but not limited to, damages for breach of the covenant to pay rent for the entire length of time equal to the original term of this lease; any bonuses paid by Lessee shall not be credited against such damages. The Board may, whenever it deems it to be in the best interests of the School Trust, cause the rental for the land to be changed at any time during the term of the lease. Further, the Board reserves the right to increase rent when the Board has determined that Lessee is "double cropping" the land. Lessee is hereby required to inform the Board or its' representatives when Lessee is employing "double cropping" on the Board's land. Any such rent changes shall be based on a comparison of rents in the area and other factors pertinent to determining the rental value of the land at the time said rental change is made. In addition, in the event of any such change, resulting in rental for the first year of this lease greater than that previously advertised and/or set forth on the foregoing application, Lessee shall pay all such additional rental for the first year of this lease promptly upon being notified by the Board that the same is due. In the event this lease terminates due to the execution by the Lessee of any "Release, Surrender and Relinquishment" of the lease, the refund of any bonus paid by the Lessee shall be at the Board's discretion.

Lessee shall certify to the Farm Service Agency of the United States Department of Agriculture (the FSA), or its successor, all grassland and cropland acres on the land, including those deferred, set aside or otherwise idle; submit such certifications to the FSA at least annually, and more frequently if required by the FSA, in such form and including such proofs as may be required by the FSA; maintain such certifications with the FSA in current status at all times; and otherwise comply in all respects with all federal, state and local legislation and regulations as necessary to make all cropland on the land eligible for federal farm programs, permits, and any other governmental action needed or required, and maintain such eligibility and all FSA crop bases, at all times. Further, by signing this document, the undersigned Lessee hereby specifically authorizes the USDA/FSA & NRCS to release my owner, operator and tract information, (specifically including but not limited to: FSA 578, FSA 156EZ, FSA Certification Maps, FSA Wetland and HEL Determinations, Enrollment Elections into Farm Bill Safety Net Programs: ARC PLC, ARC County, ARC Individual, and Yield Updates for each CCC-867 form), CRP applications and contracts including FSA CP1 and FSA CP2, Farm Bill Natural Disaster and Emergency Relief Program Elections and Payment Information) to the Board or the Board's representative, upon the Board's request, for any purpose. Should the USDA/FSA or NRCS fail or refuse to provide the information, Lessee shall obtain and provide any and all such information to the Board upon the Board's Representative's request. The Board reserves the right to make all decisions for enrollment in options of the Federal Farm Program administered by the Farm Service Agency or its successors. Lessee shall employ proper conservation and good husbandry on the land at all times; observe and carry out soil conservation requirements according to the Board's Rules And Regulations and abide by and not violate the conservation program of the Soil Conservation District or Natural Resources District in which the land is located; observe and carry out any recommendations or requirements contained in any notice of violation, and any conservation plan, for the land, requested or approved by the Natural Resources Conservation Service of the United States Department of Agriculture (the NRCS), or its successor; request a "new operator variance" upon the Board's request, and meet all federal and state legislative and regulatory requirements including, but not limited to, those concerning conservation of highly erodible land and wetland; PROVIDED, HOWEVER, that no NRCS approved conservation plan or other conservation program for the land shall be selected for implementation, or implemented in any manner, without the separate prior written consent of the Board; and PROVIDED, FURTHER, that the Board's separate prior written consent shall also be required for participation in or modification or extension of the Conservation Reserve Program or other similar programs which, if permitted by the Board, shall be subject to such special terms, conditions and rental as the Board may specify. The Board may pay for any capital construction, such as terracing, dams and waterways, approved by a NRCS or other conservation program or plan, and for any other capital construction, provided any such programs or plans are separately approved by the Board. All terraced land shall be farmed by Lessee with the terraces on the contour and Lessee shall not farm over the terraces or otherwise cause or permit any damages to the terraces. The Board may at any time require that Lessee annually submit a written plan satisfactory to the Board for use of all cropland, specifying the erosion control, cropping rotation and other farming practices required (including organic practices) which must be approved in writing by the Board prior to the commencement of farming each year or within 30 days of the Board's request and shall be followed by Lessee. Further, the Board reserves the right, in its sole and absolute discretion, to limit or deny the removal of residue from the land, and to limit or deny the planting of certain crops and plants in the last year of this Lease. In the event organic practices are requested, Lessee must annually sign an Organic Practices Plan and Agreement approved by the Board. No grassland of any kind, including both native and other grassland, shall be converted by Lessee to any other land use type without the prior written consent of the Board; and Lessee shall maintain all grassland in good condition at all times. The Board may at any time require that Lessee submit a written plan satisfactory to the Board for use of all grassland, specifying the stocking rates and grazing dates, and the requirement of rotational grazing consistent with good husbandry, which must be approved in writing by the Board prior to the commencement of grazing each year and shall be followed by Lessee. Unless (and only to the extent) specifically provided to the contrary elsewhere in this lease, Lessee shall effectively control the noxious weeds on all of the land covered by this lease, at Lessee's sole and exclusive cost and expense and to the Board's satisfaction, at all times during the term of this lease. The Lessee is prohibited from planting cedar trees on the land without Board approval. If the Lessee, after receiving Board approval, removes cedar trees from the land, it is requested that female cedars (seed source) be given removal priority. If a representative of the Board finds undesirable trees or noxious weeds on the land, the Board is hereby authorized to take appropriate steps to control the trees or weeds at Lessee's expense. Continued failure by the Lessee to control such trees or weeds shall result in termination of this lease. In the event landowners are required by local governments or agencies to maintain the abutting road ditches, Lessee shall be responsible for said maintenance to include but not limited to mowing and controlling weeds and trees in and around said ditches. Lessee shall not remove or relocate any boundary fence without the prior written permission of the Board. All boundary fence, stockwells and similar items owned by the Board shall be maintained by Lessee in good and serviceable condition at Lessee's sole and exclusive cost and expense. Lessee shall also plug all stockwells, domestic wells and irrigation wells owned by Lessee, in accordance with applicable laws and regulations of the State of Nebraska and any Agency regulations at Lessee's sole and exclusive cost and expense, when Lessee permanently takes such wells out of service. All new wells, whether owned by Lessee or the Board, must be registered in the Board's name with the Nebraska Department of Water Resources, its successor, and any other agency or office with applicable jurisdiction. Lessee shall contract with the local public power district or its successor, if any, for electrical service on this land; shall fulfill such contract by paying the minimum per year electric charge for every year of this lease; paying any annual usage charges, along with any other imposed contract requirements established by the local public power district. Any breach of the contract with the local public power district by Lessee shall also constitute a breach of this Lease.

INITIAL _____

No improvements shall be placed on the land by Lessee without the prior written approval of the Board; and any improvements made by Lessee without the prior written approval of the Board shall become the exclusive property of, and be permanently owned exclusively by the Board.

The Board's prior written approval for any improvement may be conditioned at the Board's sole and absolute discretion, and Lessee, by making such improvement, agrees to and shall be bound by all such conditions. If at the termination of this lease, the ownership or appraised value, or both, of any improvement is in dispute, the Board or its next Lessee may take possession of and utilize the land and all improvements thereof (excluding only personal property owned by Lessee which can be and is removed by Lessee without damaging the land) until such ownership or appraised value, or both, has been finally determined; and no payment shall be due to Lessee for any such use. The undersigned hereby grants to the Board, and the Board shall have a first lien upon all improvements which are now or hereafter may be placed on the land, all crops grown or to be grown, now or hereafter on the land, and all proceeds thereof to secure payment of all amounts due and to become due to the Board and remaining unpaid at the termination of this Lease, whether such termination is by forfeiture or otherwise, said lien to be superior to the rights and claims of all other persons and entities. Upon or following any termination of this lease, if there are any amounts then unpaid from Lessee to the Board (including any damages to the land caused by the Lessee and any damages incurred by the Board for repair of damage, including damages caused by erosion, removal of waste, trash left on the land, remediation of hazardous material releases, and costs of restoring the property to its condition prior to this lease), all improvements, personal property, and crops on the land at the time of the termination shall not be removed without the permission of the Board. Furthermore, in addition to all other remedies allowed by law, the Board is authorized to take possession of such property, sell such property, and apply the proceeds to the unpaid amounts owed by the Lessee (also including delinquent interest, sale expenses, irrigation taxes, costs of NRD, NRCS, DEQ and EPA violations and fines). In the event such sale proceeds are not sufficient to make full payment of such amounts owed, the Board, in addition to all other remedies allowed by law, shall be entitled to receive all FSA payments due to Lessee, pertaining to the leased land and crops growing or previously grown on the lease; and Lessee does hereby assign and set over to the Board, all such payments, and hereby directs the Farm Service Agency to pay all such payments, to the Board. In the event any such sale proceeds and FSA payments exceed the amount required to make such full payment, the remaining proceeds and payments shall be paid by the Board to the holder of the forfeited lease. Upon termination of this lease for any reason, any improvements and any other property which the Lessee has the right to remove or transfer to a new Lessee must be removed by the prior Lessee or transferred to a new Lessee within one month after such termination of this lease, two months after public auction of a new lease, or within any extension of time to remove such property which may be granted by the Board or its Executive Secretary, whichever last occurs. Upon the failure by the prior Lessee to remove or transfer such property as provided above, all of such property shall immediately become the property of the Board, regardless of the value of the property.

If the land is located west of the western boundary of Cherry, Hooker, McPherson, Lincoln, Hayes or Hitchcock County, Lessee shall not continuously crop wheat during any year of this lease without the prior written consent of the Board. If Lessee, during the last year of this lease, elects to harvest any fall-seeded annual crop during the succeeding year, Lessee shall pay to the Board prior to the auction of the next lease of the land the entire rental for all such fall-seeded annual crop acres and any related deferred, set aside or otherwise idle acres for all of such succeeding year. If Lessee does not pay all of such rental in full before the auction of the next lease of the land, such fall-seeded annual crop, together with all proceeds thereof and all federal farm program payments to be made by the FSA pertaining thereto, shall be owned exclusively by the Board (or, if the Board so specifies, its next Lessee). If Lessee, during the last year of this lease, elects to have any growing crop appraised for sale to the Board's next Lessee, such appraisal shall consider, with respect to any perennial crop, only the amortized costs of establishing such crop, its condition as of the expiration of this lease and its normal expected remaining useful life. With respect to any fall-seeded annual crop, any such appraisal shall consider only the costs of seed-bed preparation, seed, seeding and fertilization.

If the whole or any part of the land shall be taken by federal, state, county, city, or other authority for public use, or under any statute, or by right of eminent domain, then when possession shall be taken thereunder of the land, or any part thereof, the term hereby granted and all rights of Lessee hereunder shall immediately cease and terminate as to that part of the land taken, and Lessee shall be entitled to any part of any award that may be made for such taking of Lessee's lease rights herein and any damages for Lessee's improvements and crops placed on the land with the approval of the Board. To the extent that Lessee has not already been compensated for the loss of the lease rights regarding the land taken by condemnation, the Board may adjust Lessee's remaining lease payment obligations on a per-acre basis.

In consideration for this lease, Lessee and the Board also agree to the following additional terms and conditions:

Lessee shall operate the land for Lessee's own use and benefit for agricultural purposes only; no commercial use of the property is allowed without prior Board approval, which approval may be denied, or conditioned with additional lease requirements, in the Board's sole and absolute discretion. Lessee shall abide by all Rules and Regulations of the Board now in force and adopted or amended during the term of this lease. No interest of any kind in this lease, the land, or anything thereon including recreational uses and hunting, can or shall be created or transferred by Lessee (including any lien) in or to another without the prior written consent of the Board; and Lessee shall not assign, sublease or otherwise dispose of the land without the prior written consent of the Board. In the event Lessee desires to use the land for recreational purposes, or assigns the right to use this land for recreational or hunting purposes, the Board may require that the Lessee acquire, and show proof of, a currently in force policy of liability insurance in an amount to be determined by the Board, with the Board named as an additional insured, and reserves the right to add other requirements, as the Board sees fit. Lessee, and all assignees, invitees, contractors, guests, agents or employees will not violate any state, federal and local regulations regarding said recreational use, including but not limited to, hunting. Failure to follow said regulations by a Lessee and their agent, guest, invitee or assignee may, at the Board's option, cause immediate cancellation of this Lease. Further, Lessee and its agents, tenants, guests, invitees, employees or assigns has chosen to use the land for agricultural and/or recreational purposes, which may include hunting, and realizes there are inherent dangers therein. Lessee and any agents, tenants, guests, invitees, employees, or assignees agree at all times to use extreme caution and care in protecting themselves from accident, damage or bodily injury which may result from any such risk. Lessee and Lessee's agents, tenants, guests, invitees, employees and assignees assume all risks and liabilities in connection with their use of the land, including, but not limited to, any farming practice, ranching, hunting or other recreational uses. Lessee is responsible for, and will indemnify and hold the Board, its officers, employees and agents harmless from and against any and all claims, costs, damages, actions or causes of action of whatever nature or character arising out of or by reason of Lessee's and Lessee's agents, tenants, guests, invitees, employees or assignee's use of the land. Nothing herein shall be construed as the Board waiving any immunity provided to public entities by any federal, state or local law, statute or regulation or rule. Lessee shall not commit any waste dumping of trash or refuse or damage to the land or permit others to do so; and shall surrender the land to the Board upon the expiration of this lease, or upon any termination of this lease by the Board due to violation of its terms by Lessee, all without the necessity of any prior notice or demand from the Board. Lessee hereby warrants that Lessee will not violate any DEQ, EPA, NRCS, NRD or other environmental law, regulation, or plan, whether federal, state, local or municipal laws or policies, and will not allow any release of hazardous materials on the land including, but not limited to, any petroleum, petroleum products, fuel oil, waste oils, hazardous substances, toxic substances, and any other substance which may pose a present or potential hazard to human health or to the environment. Furthermore, Lessee shall not release, nor allow the release of environmentally unsafe quantities or herbicide, fertilizer, or any other substance. Lessee shall be liable to the Board for all costs, damages and losses caused by any violation of any governmental laws, regulations, conservation plans, or other regulatory actions. The Board reserves the right of entry upon the land during the duration of this lease by its representatives, or anyone with the permission of the Board or the Executive Secretary of the Board for all management and other reasonable purposes. Reasonable notice to the Lessee shall be given by those having such permission prior to any such entry upon the land. During the term of this lease, the Board shall have the right to grant, sell or lease easements of any kind across or under the land, provided the Board may adjust Lessee's remaining annual rent on the land to the extent, if any, that such easement reduces the annual value of the land to the Lessee. This lease is authorized, approved and executed by the Board in Lincoln, Lancaster County, Nebraska. Lessee and the Board agree that venue for any trial and appellate litigation, or either thereof, pertaining to this lease, the land or anything thereon shall be proper in Lancaster County, Nebraska; that any such litigation may be commenced and any such appeal may be taken by any party hereto in Lancaster County, Nebraska; and that any such litigation which may be commenced or appeal which may be taken by any party hereto in any other county may and shall be transferred, at the request of either the party bringing or taking the same or any other party, to Lancaster County, Nebraska.

All salt springs, coal, oil, minerals, timber and other natural resources, as well as all fossils and artifacts, on or contained in the land (all hereinafter referred to for convenience as minerals) are reserved by the Board together with the rights to lease and develop the same, and to occupy and use the surface of the land in conjunction therewith, and all other rights and privileges of the dominant minerals estate. In the event the Board decides in its discretion to develop its mineral interest, the Board may, at any time, temporarily or permanently terminate that portion of this lease from which the Lessee is excluded from farming or ranching as a result of the Board's decision to develop such rights. Such termination shall take effect at the time the Board gives written notice of such termination to the Lessee. As a result of such termination, the rent for the leased land which would otherwise be paid for such exclusion period may be reduced by the Board, taking into account the number of acres from which the Lessee is excluded. However, any damages paid to the Lessee by any third party (or by the Board) for such excluded acres shall be credited against any rent reduction to which the Lessee would otherwise be entitled during such exclusion period. This reservation specifically includes all rights of ownership, control and use of all surface and subsurface water and all other water rights; and Lessee's use of such water, together with all water rights, shall at all times be subject to regulation, direction and control by the Board. Lessee shall abide by all regulations and rules of the Natural Resources District (NRD) that exerts jurisdiction over the land, and will cooperate with the Board, including providing all information regarding water use to the Board upon request, and take all actions reasonably required or necessary to preserve and protect all water and irrigation rights, and certified irrigated acres, applicable to the land. Lessee will indemnify, and hold the Board harmless from and against any and all claims, losses, costs, expenses, fines or damages that arise out of, or are caused by, Lessee's actions or inactions that violate any NRD regulation or rule. Specifically, Lessee shall not exceed or violate any water use or pumping restrictions, requirements or allocations. Should Lessee violate any rule or regulation including, but not limited to, exceeding the water allocation, which results in a reduction or decrease in the next water allocation applicable to the land, or the well located on the land, Lessee shall pay to Lessor, additional rent as follows: (a) 10% of the gross rent paid herein on all irrigated acres, for the first acre-inch reduction or decrease in the next water allocation, or carryforward, applicable to the land; and (b) 20% of the gross rent paid herein on all irrigated acres, for the second, and any additional, acre-inch reduction or decrease in the next water allocation, or carryforward, applicable to the land. Lessee shall not transfer or pool the land's allocation without written consent of the Board. In the event the governing NRD decreases the allocation of water during the term of this lease, Lessee shall abide by such reduction. The amount of acre-inches available to this land on the date Lessee acquires this lease, including the average annual allocation and any excess or carryforward acre-inches, shall be maintained at the same amount each year throughout the term of this lease, unless Lessee obtains permission to exceed the average annual allocation, or use any carryforward inches, from the Board's representative. Should Lessee exceed the average annual allocation, or use any carryforward or excess acre-inches, without permission, Lessee shall pay additional rent per acre-inch as set forth above. The Board reserves the right to terminate Lessee's use of any water or well on the land, at any time. Lessee shall have no right to demand or receive from the Board's minerals Lessees any fees or other amounts for access to or use of the land by the Board's minerals Lessees for minerals exploration or development purposes and all amounts paid by the Board's minerals Lessees for such purposes, together with all amounts paid by the Board's minerals Lessees for damages to the land, including any grassland thereon, shall be due and payable exclusively to, and owned exclusively by, the Board. In addition to the rights reserved by the Board at the beginning of this paragraph, the Board reserves all wind and solar rights on the lease and carbon sequestration rights, (including all revenue derived from said rights), carbon offsets or carbon credits on, over or contained in the land, including the right to and revenue from such carbon rights, offsets and credits based on farming or livestock grazing practices, including rotational livestock grazing.

