

APPLICATION FOR EDUCATIONAL LAND LEASE

The undersigned Applicant, whether one or more:

Name Thomas Land Company

Telephone No. _____

Cellular No. _____

Address _____

SSN/FTIN _____

E-mail _____

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

All (640 acres, more or less)

Section 36 Township 14 Range 40W of the 6th P.M. Keith County, Nebraska.

Applicant agrees to pay and herewith tenders \$ 16,463.66 as rental for the first year of the lease, which period ends on December 31, 2017, and further tenders \$ 5500.00 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 Keith County, \$ 3,900.00 which is the value of the improvements and/or growing crops, if any, presently owned by Thomas Land Company - 1175 Hwy 26 West - Brule, NE 69127

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

Are you a resident of the State of Nebraska of legal age, or a corporation (or other legal entity) authorized to do business in the State of Nebraska? yes Do you owe any past due rental to the Board? no

Is the land to be leased bounded entirely on at least one side by lands owned or operated by you? Yes No _____

If so, on which side(s) of the leased land is your land located? west side

If you own any other Educational Land Lease, list the number of the lease or legal description of the land: _____

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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 Thomas Land Company - [redacted]

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 Keith, Nebraska:

Section Thirty-six (36), Township Fourteen (14) North, Range Forty (40) West of the Sixth Principal Meridian, containing 640 acres, more or less,

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 six months 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. 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 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 and state legislation and regulations as necessary to make all cropland on the land eligible for federal farm programs, and maintain such eligibility and all FSA crop bases, at all times. 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 the conservation program of the Soil Conservation District or Natural Resources District in which the land is located; observe and carry out any conservation plan for the land approved by the Natural Resources Conservation Service of the United States Department of Agriculture (the NRCS), or its successor; 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 and shall be followed by Lessee. 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 annually 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 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 noxious weeds on the land, the Board is hereby authorized to take appropriate steps to control the weeds at Lessee's expense. Continued failure by the Lessee to control such weeds shall result in termination of this lease. 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 Nebraska Department of Health and Human Services System, or its successor, and 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, or its successor.

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 removal of waste, trash left on the land and

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:

The Board may terminate this Lease prior to its scheduled expiration date by 1) giving at least nine (9) months notice of termination to the Lessee, or 2) giving written notice of termination to the Lessee stating that the lease shall terminate on December 31st of the year notice was given. In the event of such early termination, any bonus paid for this Lease will be partially refunded. The unused percentage of the original lease term shall be multiplied by the bonus previously paid to determine the refund amount.

Lessee shall operate the land for Lessee's own use and benefit and 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 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. 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. 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 sell or lease easements of any kind across or under the land, provided the Board shall 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.

the registration, sale or transfer of carbon rights, the Lessee may decline to alter his existing practices; in such case, neither the Board nor the lessee shall receive any benefits from carbon rights on the leased land. In the event the Board decides in its discretion to lease or sell wind, solar or wetland mitigation rights, 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 sell 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 shall 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. Further, should the Board lease or sell wind, solar or water mitigation rights pursuant to any agreement, at any time during this lease, Lessee hereby agrees to, and will adhere to any restrictions on the use of the property contained in said agreement. The Board may, in its sole discretion, credit or reimburse to the Lessee any monetary damage Lessee incurs as a direct result of said restrictions.

Unless otherwise expressly and clearly stated to the contrary in both this lease and its application, all of the Lessees (if more than one) hold this lease as joint tenants with rights of survivorship, and not as tenants in common. Regardless of the manner in which this lease is so held, all of the Lessees (if more than one) are jointly and severally liable and responsible for the full payment of all amounts due and to become due pursuant to this lease and the full performance of all other terms and conditions of this lease; any one of the Lessees is fully authorized to execute and deliver to the Board any instrument pertaining to this lease, the land or anything thereon; and, unless rejected by the Board in its sole and absolute discretion, every such instrument so executed and delivered to the Board by any of the Lessees shall be binding upon all of the Lessees in the same manner as if it had been executed by all of them except only an assignment or other instrument voluntarily terminating the entire leasehold interest of a Lessee which must be executed by each Lessee affected thereby. The Board may require personal guarantees when the Board deems guarantees appropriate.

Regardless of its dates of execution by the parties, this lease is effective January 1, 20 17, and shall expire without further notice on December 31, 2024; PROVIDED, HOWEVER, that 34.3 acres of cropland, including both fall-seeded annual crop acres and any related deferred, set aside or otherwise idle acres, are reserved by the Board or its prior Lessee until August 15, 20 17.

The Board shall have the discretion to extend the term of the lease to a maximum term of twelve years; the Lessee must give consent to such extension.

IN WITNESS WHEREOF, each Lessee executes this lease on Nov 29, 2016.

Thomas Land Company by
Jola Thomas, President
Lessee's Signature

Lessee's Signature

Lessee's Signature

Lessee's Signature

IN WITNESS WHEREOF, this lease is issued and sealed for and on behalf of the Board of Educational Lands and Funds on December 16, 2016.

BOARD OF EDUCATIONAL LANDS AND FUNDS

[Signature]

State of _____)
County of _____) ss.

FOR INDIVIDUAL LESSEES

The foregoing instrument was acknowledged before me on this _____ day of _____ by _____.

My Commission expires: _____

Notary Public

State of NE)
County of Litch) ss.

FOR VARIOUS ENTITIES (Corporations, Partnerships, etc)

The foregoing instrument was acknowledged before me on this 29 day of Nov 2016