

JOHNSON LAKE RESIDENTIAL LEASE AGREEMENT

CNPPID
PO Box 740
Holdrege, NE 68949

Date: _____, 20__

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

1. PARTIES. The Central Nebraska Public Power and Irrigation District, a public corporation and political subdivision of the State of Nebraska, 415 Lincoln Street, P. O. Box 740, Holdrege, Nebraska 68949-0740, Telephone No. 308-995-8601, hereinafter referred to as "District", hereby leases to:

(Name)

hereinafter referred to as "Tenant", and Tenant hereby leases from District, the Leased Premises described in Paragraph 2.

2. LEASED PREMISES. The Leased Premises consist of the following described real estate located in __ County, Nebraska:

JOHNSON LAKE

Legal Description:

—
Also known as 911 Enhanced Address:

Area Association:

3. TERM. This Lease shall be for a term of Thirty (30) years beginning on the first day of _____, 201__ and ending on the last day of _____, 204__, unless sooner terminated as later provided herein.

4. ANNUAL RENT. Tenant shall pay to the District for the Leased Premises the Annual Rent for each Lease Year (Twelve months beginning on the first day of March and ending on the last day of February) during the term of this Lease set forth in Exhibit "A" attached hereto and incorporated herein by this reference. Annual Rent for the first Lease Year and the last Lease Year of the term of this Lease shall be prorated if the first or last Lease Year is a partial Lease Year.

5. RENTAL DUE DATE. The Annual Rent for the first Lease Year or partial Lease Year shall be due and payable to the District upon execution of this Lease and for each Lease Year thereafter, the Annual Rent for the Leased Premises is due and payable to the District in advance on or before March 1 of each Lease Year of the term of this Lease, and time is of the essence of said payment. Default in the payment of any rental provided for herein shall be deemed an event of default. In addition to any right or remedy provided in Paragraph 28, the District shall charge

the Tenant interest at the maximum legal rate on any rental provided for herein and not paid by said due date. Said interest shall accrue from the due date until paid.

6. LAKE IMPROVEMENT FEE. Tenant agrees to pay to the District an Annual Lake Improvement Fee as may be established by the District's Board of Directors for the costs of Lake Improvement Projects, provided seventy-five percent (75%) of the tenants of the land surrounding Johnson Lake and owned by the District and leased for single family residential purposes approves in writing of the Lake Improvement Project and the associated Annual Lake Improvement Fee for such project. The Annual Lake Improvement Fee is payable, as additional rent, on or before March 1 of each Lease Year during the term of this Lease, and time is of the essence of said payment. Default in the payment of any Annual Lake Improvement Fee shall be deemed an event of default. In addition to any right or remedy provided in Paragraph 28, the District shall charge the Tenant interest at the maximum legal rate on any Lake Improvement Fee provided for herein and not paid by said due date. Said interest shall accrue from the due date until paid.

7. AREA ASSOCIATION ASSESSMENT. Tenant agrees to pay to the area association stated in Paragraph 2 above an annual area association assessment as may be established from time to time by written agreement between the District and said association. In the event said annual assessment is not paid when due, as fixed by said agreement, the association may notify the District in writing of such failure and the District may deem such failure an event of default and in addition to any right or remedy provided in Paragraph 28, the District, for the benefit of the above described area association, shall charge the Tenant interest at the maximum legal rate on any area assessment provided for herein and not paid by said due date. Said interest shall accrue from the due date until paid.

8. USE OF PREMISES. The Leased Premises are to be used for single family residential purposes only, and for no other purposes. The 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 or to be used such as to interfere with the quiet and peaceful enjoyment of their lots by neighboring leaseholders, and the Tenant agrees that nothing in violation of any present or future federal, state or municipal law or ordinance shall be done, maintained or permitted in or upon said premises or any part thereof.

9. LOT LIMITS. Tenant shall confine structures and other improvements within the lot lines of the Leased Premises, as solely determined by the District, and shall acquire no right, title or interest by adverse possession, implication or prescription as against the District or any tenant, by reason of a structure, improvement or use extending beyond said boundaries.

10. GOVERNMENT REGULATIONS. It is understood and agreed that the lands and waters owned by the District are subject to regulation by the United States Government, including the Federal Energy Regulatory Commission (FERC), and by the State of Nebraska and local governments thereof. The Leased Premises, and use of said premises by Tenant, and all other rights hereto granted Tenant, are expressly subject to any statute, law, rule, regulation or order now or hereinafter imposed by any governmental body having jurisdiction of the activity or property of the District, and may be altered or curtailed to the extent the same may affect the real estate leased

herein.

11. **PROTECTION OF SCENIC, RECREATIONAL AND ENVIRONMENTAL VALUES.** The Tenant shall not unduly restrict public access to FERC Project No. 1417 (Project) lands and waters and Tenant shall take all reasonable precautions to ensure that construction, operation and maintenance of buildings, structures or improvements 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 recreational use of the Project, as set forth in the FERC license for said Project and any amendments thereto. The District retains the right to enforce these provisions by any reasonable means, including without limitation, entry upon the Leased Premises to perform inspections, implementation of a permitting system, direction to cease inappropriate land use or to remove inappropriate structures, and termination of this Lease.

12. **RIGHT TO ENTER.** The Tenant's use of the Leased Premises is subject and subordinate to the rights of the District to use the same in the operation and the maintenance of its Project, and if the District at any time determines that it is necessary or convenient to enter upon any part of the Leased Premises with workers, machinery or equipment and do any kind of work whatsoever thereon, including, but not limited to, excavation, construction, building structures or removal of structures, that it may do so without any let or hindrance by the Tenant or any responsibility or liability to the Tenant, other than compensation for the fair market value of damage to any improvement or structure constructed thereon and owned by the Tenant. If the District has a reasonable opportunity to do so, it will notify the Tenant of its intentions before entering upon said premises but it shall not be liable if such notice is not given. Such rights reserved to the District shall also include the right to enter upon the Leased Premises to inspect the same.

13. **WATER LEVEL.** The District does not guarantee the permanence of the water level in Johnson Lake nor its water quality for swimming or other purposes. This Lease is expressly subject to the raising and lowering of Johnson Lake in the course of the activities of the District. Tenant hereby waives any liability for damage to any dwelling, dock, boat or other property of Tenant which may result from reduced water quality or fluctuations in water level, by the movement of ice, erosion, or from any other activities of the District.

14. **IMMEDIATE CANCELLATION.** In the event the Leased Premises or any portion thereof shall become necessary to be permanently occupied by the District for its needs, the District may cancel and terminate this Lease upon twelve (12) months written notice to Tenant; provided that, Tenant shall be compensated for the fair market value of all structures and improvements constructed thereon and owned by the Tenant.

15. **RULES AND REGULATIONS.** The use and improvement of the Leased Premises shall be subject to all rules, regulations, policies or protective covenants of the District which are now or may hereafter, from time to time be promulgated by the District.

16. **APPROVAL OF IMPROVEMENTS.** No structure, sea wall, facility for water supply, sanitary facility, other physical improvement or alteration to the Leased Premises shall be

constructed upon the Leased Premises or any portion thereof unless there shall be first submitted to the District a written description and drawing of said proposed improvements showing its location on the Lot and its specific dimensions and details of the proposed improvements. No such improvements shall be placed upon the Leased Premises without the prior written approval of the District.

17. APPROVAL OF IMPROVEMENTS THAT EXTEND INTO OR ON JOHNSON LAKE. No structures or other physical improvements, including retaining walls, shoreline protection, boat docks, boat racks, rafts, buoys, or other physical items shall be constructed or placed on or in Johnson Lake without the prior written approval of the District.

18. MAINTENANCE. Tenant shall maintain the Leased Premises and all structures and improvements thereon in good repair and in a good and sightly condition, shall keep the same reasonably mowed at all times, and shall allow no refuse to accumulate on said premises except in covered containers. Tenant shall be responsible for the regular disposal of such refuse away from said premises, and shall not permit or suffer such refuse, including fallen leaves, grass clippings and the trimmings of trees or shrubbery, to be deposited in Johnson Lake, adjacent to the shoreline thereof, or otherwise upon premises reserved to the possession of the District, or the use of the public. The Tenant shall keep the Leased Premises free of hazards.

19. SANITARY FACILITIES. The Leased Premises shall have water supply and sanitary facilities to the extent necessary to fully protect human health and the environment, and of the kind, location and quality as may now or hereafter be required by the rules and regulations of the Department of Health of the State of Nebraska or its successor and of the District.

20. INDEMNIFICATION. Tenant shall protect, indemnify and hold the District harmless from any and all claims or damages resulting from the use of the Leased Premises and the area of Johnson Lake adjacent thereto, by Tenant, Tenant's guests, family, licensees or invitees, or otherwise arising from their acts.

21. DISTRICT RESPONSIBILITY. Notwithstanding any provision in this Lease to the contrary, the District assumes no responsibility for the care, preservation, or the protection of any structures or improvements which Tenant may place on District lands and waters. Any District approval of the erection of such improvements shall not be construed to create any such responsibility. The covenants of this and other similar leases are for the benefit of the District only and shall not be deemed to create any obligation on the part of the District to enforce the same with respect to other lots bordering upon said premises, neighbors of Tenant, or other third parties.

22. QUIET ENJOYMENT. Tenant shall be entitled to the quiet and peaceable possession of the Leased Premises, as between Tenant and District, subject to the rights otherwise herein reserved by the District, but the District shall have no responsibility to protect said premises, or the person of Tenant, Tenant's invitees or licensees, from interference by other tenants of the District or other third parties.

23. COMMON AREAS. Tenant shall have the right to the nonexclusive use, in common with the general public, of certain areas as may be designated from time to time by the District (Common Areas), all to be subject to the terms and conditions of this Lease and to reasonable rules for the use thereof as prescribed from time to time by the District.

24. ROAD MAINTENANCE. The District agrees to provide minimal road maintenance on graveled access roads, as they currently exist, located on the District's property which provide access to the Leased Premises, such maintenance to include not less than graveling and grading annually. Snow removal will not be provided.

25. ASSIGNMENT OR SUBLEASING. This Lease may not be assigned, sold, subleased, or otherwise transferred by Tenant without the prior written consent of the District, which consent shall not be unreasonably withheld. Any assignment of this Lease, for the purpose of securing any loan, if approved by the District, shall be only upon such form of assignment as shall be prescribed by the District.

26. TAXES. The Tenant shall reimburse the District, as additional rent, as the same may become due and payable, all taxes, assessments, and other public charges, for public improvements or otherwise, lawfully levied, assessed or imposed, prior to or during the term of this Lease, by any governmental authority, upon the Leased Premises and any structures or improvements now or hereafter located thereon, or upon the District by reason of the Tenant's use of the Leased Premises.

27. FIRST RIGHT OF REFUSAL. During the term of this Lease, in the event the District should elect to sell the Leased Premises separate from the Project, Tenant shall have the right of first refusal for a period of one hundred twenty (120) days within which to purchase such property on the same terms and conditions as offered to a third party. The sale of the Leased Premises, and the Tenant's exercise of the right described herein, shall be subject to the District's operational limitations, and to any restrictions imposed on the District by the United States Government, including the Federal Energy Regulatory Commission, and by the State of Nebraska. The failure of Tenant to purchase such property within the period provided shall nullify and void this right of first refusal and the District shall be at liberty to sell the Leased Premises to any other person, firm or corporation. Any subsequent sale, except to Tenant, shall be subject to this Lease. This right of first refusal shall not apply to the sale or transfer of the Project.

28. DEFAULT OF TENANT. Upon occurrence of any event of default, the District may, at its option, in addition to any other remedy or right provided by law, terminate this Lease by service of written notice of such termination upon Tenant, and thereupon enter upon the Leased Premises, or any part thereof, upon the date specified in such notice and retake possession of said premises. Each of the following shall be deemed an event of default:

28.1 Default in the payment of any rental or other payment due from the Tenant as provided for herein for a period of thirty (30) days after the due date thereof.

28.2 Breach by Tenant of any of the covenants or other obligations of Tenant set forth herein and failure to remedy such breach in full upon thirty (30) days' notice in writing thereof given by District, including breach of rules and regulations promulgated by District or governmental entities governing District, as herein provided.

28.3 Abandonment of said premises for more than twelve (12) months.

28.4 Assignment by the Tenant for the benefit of creditors, or the filing by the Tenant or against the Tenant of a petition in bankruptcy, or the filing of any petition against the Tenant for the foreclosure of any judgment lien against the Leased Premises or any other lien or mortgage encumbering said leased premises, or the levy of any writ of execution upon said leased premises; or the filing of any Mechanic's Lien against said leased premises not released within thirty (30) days of the date of filing of the same.

29. LEGAL MATTERS. This Lease shall be governed by and interpreted in accordance with the laws of the State of Nebraska.

30. SURRENDER. Upon the expiration of the term of this Lease, or upon termination of this Lease in any manner herein provided, Tenant will surrender possession and occupancy of the Leased Premises to the District in as good condition as the same was at the inception of this Lease, natural wear and tear and erosion only excepted.

31. WAIVER. The waiver of one breach of any term, condition, covenant, obligation, or agreement of this Lease shall not be considered to be a waiver of that or any other term, condition, covenant, obligation, or agreement or of any subsequent breach thereof.

32. JOINT AND SEVERAL LIABILITY. If there is more than one person liable under this Lease, the liability of each shall be joint and several.

33. SEVERABILITY. 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.

34. MERGER AND MODIFICATION. This Lease contains the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes and terminates all prior lease agreements and understandings between the Parties with respect to such subject matter effective the date the term of this Lease begins. This Lease shall not be modified or amended, except that the same be in writing and signed by the District and the Tenant hereto after the officers of the District are authorized to do so by their Board of Directors.

35. CAPTIONS AND HEADINGS. 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.

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

THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION
DISTRICT, a public corporation and political subdivision of the State
of Nebraska

By _____
General Manager

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

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

(NOTARY)
(SEAL)

General Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

-NOTARY-

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

(NOTARY)
(SEAL)

General Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

-NOTARY-

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 and political subdivision of the State of Nebraska, on behalf of the District and by authority of its Board of Directors.

(NOTARY)
(SEAL)

General Notary Public