

ABOVE SPACE FOR RECORDER'S USE ONLY

*This instrument prepared by,
and after recording return to:*

*Agricultural Ecologist
McHenry County Conservation District
18410 US Highway 14
Woodstock, IL 60098
(815)338-6223*

Agricultural Lease Agreement

AGRICULTURAL LEASE AGREEMENT, made and entered into this ____ day of _____, _____, between MCHENRY COUNTY CONSERVATION DISTRICT, a conservation district organized and existing under the laws of the state of Illinois and having its principal administrative offices at 18410 U.S. Highway 14, Woodstock, Illinois 60098 (hereinafter referred to as "Lessor"), and _____ (hereinafter referred to as "Lessee").

WITNESSETH, That Lessor, for and in consideration of the covenants and agreements hereinafter mentioned, to be kept and performed by Lessee, has, by these presents, demised and leased to Lessee, the following described real estate, to-wit:

PIN(s)

Location

Township

Site Name

FLP_ID

NRCS Farm Service Agency Tract:

Field: **Use Type** Cropland

in the County of McHenry and State of Illinois containing about ____ +/- tillable acres and associated field borders and any filter strips and/or grass waterways, as depicted in **Exhibit A** attached hereto and made a part hereof (hereinafter referred to as the "Premises").

TO HAVE AND TO HOLD THE SAME to Lessee, from the ____ day of _____, _____ to the ____ day of _____, _____ and Lessee, in consideration of the leasing of the Premises as set forth above, covenants and agrees with Lessor, to pay Lessor, at 18410 U.S. Highway 14, Woodstock, Illinois 60098, as rent for the same, the following:

Annual rent shall be based on the formula: *Corn Yield Number ____ X **Futures Price X ____ % = Rent/tillable acre for that crop year times the number of tillable acres payable as follows: 50% on April 15 and the balance on December 1.

* Farm Service Agency (or established) Direct Payment Corn Yield Number.

** February Daily Average Settlement Price for the December Corn Futures Contract on the Chicago Board of Trade (Future's Price) for the respective crop year.

It is further expressly understood and agreed between the parties hereto, as follows:

1. **Lessee's Farming Operation and Assumption of Risk:** Except as may be otherwise expressly agreed herein, Lessee shall be solely responsible for furnishing all machinery, equipment, labor, fuel, power, seed, inoculation, disease-treatment materials, fertilizers and any other items necessary to properly farm the Premises. All costs and expenses associated with such items shall be paid solely by Lessee and Lessee shall not permit any lien related to Lessee's farming operation to stand against the Premises. Lessee takes possession of the Premises subject to the hazards of operation a farm, and assumes all risk of accidents personally as well as for family, employees, or agents in pursuance of farming operations or in performing repairs on any improvements related to it.

2. **Real Estate Tax Assessment:** Lessor and Lessee will mutually cooperate with the McHenry County Collector to insure that the bill or bills reflecting any taxes levied against the leasehold estate created hereby are mailed directly to Lessor. Lessor will pay said tax bills for the subject taxes.
3. **No Partnership Created:** This Agricultural Lease Agreement shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other without written consent.
4. **Government Programs:** Lessor makes no representations or warranties regarding the Premises' or the Lessee's eligibility to participate in any farm programs that may exist: federal, state or local. It is the Lessee's responsibility to perform due diligence and make decisions for their farming operation that includes determining any desired eligibility in concert with the agencies responsible for administering such programs. Lessee understands and acknowledges that in the event Lessor's consent is a requirement for participation in a farm program; such consent may be withheld at Lessor's sole and absolute discretion. Therefore, if any such consent of Lessor is to be desired by Lessee, Lessee shall make appropriate inquiries of Lessor and determine to Lessee's satisfaction that the consent can be obtained prior to entering into this Agricultural Lease Agreement. To the extent such eligibility exists and participation has been or is established, Lessee shall follow NRCS, FSA and/or other applicable agency recommendations and fulfill all other requirements to maintain any rights of current and future Lessees of the Premises to participate in such programs.
5. **Crop Acreage Certification:** Lessee shall coordinate with the Farm Service Agency ("FSA") on any required crop acreage certification.
6. **Use Restrictions:** The Premises shall be used by Lessee solely for agricultural purposes and in doing so, Lessee agrees not to erect or permit to be erected any structure or building to serve such purposes. Lessee also agrees not to permit, encourage, or invite other persons to use any part or all of the property for any purpose or activity not directly related to its use for agricultural production and Lessee's farming operation.
7. **Conservation Plan:** In order to ensure the long-term ecological health of the Premises, Lessee shall work with the USDA - Natural Resource Conservation Service ("NRCS"), located at 1648 S. Eastwood Drive, Woodstock, IL 60098 (Phone: 815-338-0099 ext. 3), and Lessor to develop a Conservation Plan (or review, update and amend as needed any previously developed plan for the Premises) and provide a copy of same to Lessor within sixty (60) days of the date that this lease has been executed by all parties. The Conservation Plan developed shall conform to and be consistent with the restrictions and practices described in the Conservation Requirements attached hereto as **Exhibit B** and incorporated herein. Lessee shall comply fully with the Conservation Plan. Failure by Lessee to so comply shall be considered as a default under this Agricultural Lease Agreement. The Conservation Plan shall be kept on file with Lessor and NRCS. Any modifications to the Conservation Plan during the term of this Agricultural Lease Agreement shall be done in consultation with NRCS and shall require the written approval of the Lessor. The Conservation Plan developed as described and any approved modification to it is incorporated herein by reference.
8. **Lessor's Lien:** The Lessor's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of the Agricultural Lease Agreement. The Lessee shall provide the Lessor with the names of persons and/or entities to whom the Lessee intends to sell crops grown on these demised Premises at least thirty (30) days prior to the sale of such crops. A lesser period may be allowed by mutual agreement. If the Lessee fails to pay the rent due or fails to keep any of the agreements of this lease, all costs and attorney fees of the Lessor in enforcing collection or performance shall be added to and become a part of the obligations payable by the Lessee in addition to the late payment fees and interest charges due pursuant to Paragraph 24 herein.
9. **Indemnification:** Lessee hereby covenants and agrees that it will indemnify and hold Lessor, its agents, employees, assigns, successors, transferees, licensees, invitees or any other persons or property standing in the interest of Lessor of and from any and all risks, suits, damages, expenses, or claims arising out of or due to the negligence of Lessee or arising in any way from the entry into this Agricultural Lease Agreement by Lessor and Lessee.
10. **Insurance:** Prior to accessing the Premises, the Lessee and any contactor of Lessee shall provide Lessor with a Certificate of Liability Insurance and applicable policy endorsements, executed by a duly authorized representative of each insurer, evidencing commercial general liability insurance in an amount not less than ONE MILLION AND NO/100THS (\$1,000,000.00) each occurrence and naming Lessor as an additional insured there under with said liability insurance to extend throughout the term of this Agricultural Lease Agreement with the following wording; "Primary and Non-Contributory Additional Insured: McHenry County Conservation District". Said insurance shall provide, by endorsement, for not less than thirty (30) days' prior written notice to Lessor in the event of cancellation. For insurance companies which obtain a rating from A.M. Best, that rating should be no less than A VII using the most recent edition of the A.M. Best's Key Rating Guide. If Best's rating is less than A VII or Best's rating is not obtained, the Lessor has the right to reject insurance written by an insurer it deems unacceptable. The failure of the Lessor to demand such certificate(s), endorsements(s) or other evidence of full compliance with these insurance requirements or failure of the Lessor to identify a deficiency from the evidence that is provided shall not be construed as a waiver of Lessee's and any contractor's obligation to maintain such insurance. The Lessor shall have the right of prohibiting Lessee or any employee, agent or contractor from entering the Premises until such certificate(s) and endorsement(s) in complete compliance with these requirements have been received.
11. **Surrender of Possession:** Upon the expiration of this Agricultural Lease Agreement, Lessee shall yield possession of the Premises to Lessor without any further demand or notice of any kind whatsoever in as good a condition as tendered by Lessor upon the commencement of the Lease.
12. **Cancellation Provision:** The Lessor reserves the right to cancel this Agricultural Lease Agreement provided notice of intent to cancel for the following year is sent to Lessee by January 5th of the new lease year. The Lessor reserves the right to cancel for any reason deemed to be in the best programmatic interests of the Lessor including but not limited to wetland mitigation purposes and grant requirements. The lessee has the right to cancel this Agricultural Lease Agreement provided notice of intent to cancel for the following year is given by September 1 in the current lease year.
13. **Compliance with Laws and Regulations:** Lessee agrees to abide by all federal, state, and county laws as well as all of Lessor's rules and regulations, as adopted from time-to-time.
14. **Permission to Receive Geospatial Data:** The Lessee agrees that Lessor may receive all geospatial data related to the acreage being leased protected under Section 1619 of the Farm Bill.

15. **Covenant Against Assignment or Sublease:** Lessee shall not assign or sublease all or any interest in this Agricultural Lease Agreement without the prior written consent, in each instance, of Lessor, which consent may be withheld or denied by Lessor at its sole and absolute discretion.
16. **District Programs:** Lessor reserves the right to use property for McHenry County Conservation District programs at any time as it is deemed to be in the programmatic interests of the District. Any crop loss or damage occasioned by said uses, shall be documented and agreed upon by Lessor and Lessee, based upon fair market value of the lost or damaged crops. Lessee, shall thereupon, be indemnified by Lessor for said losses. The Lessor further reserves the right to use property for its Hunting Program at such time that existing crops are harvested and removed. The Lessor reserves the right to require fall tillage modifications for this purpose.
17. **Hunting:** Lessee hereby agrees that, during the term of this Agricultural Lease Agreement, it shall not allow or permit any hunting activities on the Premises, with the exception being the Lessor's Hunting Program described in Paragraph 16 herein. Any such unauthorized hunting activity shall be a default hereunder and a basis for immediate termination of this Agricultural Lease Agreement.
18. **Inspection:** Lessor's employees may, at any time, enter upon the Premises for the purpose of inspecting the Premises or on other proper business of Lessor. Any crop loss or damage occasioned by said inspection or inspections shall be documented and agreed upon by Lessor and Lessee based upon the estimated fair market value of the lost or damaged crops and Lessee shall thereupon be indemnified fully by Lessor for said losses. Lessee understands the Premises will be subject to inspection to verify compliance with the Conservation Requirements described in Exhibit B. Non-compliance issues may jeopardize eligibility of Lessee for following bid cycle.
19. **Pesticide Restrictions:** The Lessee shall provide Lessor with information on all herbicides, pesticides, seed treatments, and nutrients utilized on the premises. Failure to provide Lessor with information on all pesticides used pursuant to Paragraph 23 hereof or the use of chemicals that are known to cause a residual carry over effect on grasses or broad leaf plants beyond the final growing season of the lease shall be cause for termination of the lease and claims for damages.
- a. Lessee shall not use any Dicamba on this property. Use of Dicamba in any form is grounds for immediate termination of the lease at the sole discretion of the Lessor.
 - b. Lessee shall not use any neonicotinoid or neonicotinoid-treated soybean seed (NSTs). Use of neonicotinoid products in any form on **soybean seed** is grounds for immediate termination of the lease at the sole discretion of the Lessor.
 - c. Lessee shall use seed lubricants designed to reduce the amount of fungicide and insecticide dust released during planting.
 - d. At the Lessor's discretion, Lessee shall apply no chemicals to the Premises that has any residual carry over effect on any grasses or broad leaf plants beyond the final growing season of the lease.
20. **Rights of Third Parties:** Lessor reserves the right to grant access and use rights to third parties for research or other purposes unrelated to agricultural production however any crop loss or damage occasioned by rights granted by Lessor to third parties shall be documented and agreed upon by Lessor and Lessee based upon the fair market value of the lost or damaged crops and Lessee shall thereupon be indemnified by Lessor for said losses. Lessor shall not grant any rights to third parties that will result in a reduction of tillable acres without obtaining Lessee's written consent thereto, in which case the rent due would be adjusted accordingly.
21. **Costs of Litigation:** If and in the event Lessor or Lessee shall default under any terms or conditions set forth in this Agricultural Lease Agreement and the other party hereto shall be forced thereby to pursue recovery of its costs or any other remedy in a court having competent jurisdiction in the Premises, the prevailing party in said litigation shall be entitled to recover its costs and reasonable attorneys' fees.
22. **Notices:** Any and all notices, demands, and requests required or permitted hereunder shall be deemed to have been sufficiently given if mail by certified mail, return receipt requested, or delivered by courier as follows:
- If to Lessor: **McHENRY COUNTY CONSERVATION DISTRICT**
18410 U.S. Highway 14
Woodstock, Illinois 60098
Attn: Executive Director
- If to Lessee:
- Any notice given by certified mail shall be deemed received on the third day following its posting and any notice delivered by courier shall be deemed received as of its actual receipt.
23. **Proof of Documents:** Prior to December 31st of each year of this Agricultural Lease Agreement, the Lessee shall provide the following documents and/or documentation, if applicable, satisfactory to the Lessor as determined in the sole discretion of the Lessor: **a)** State of Illinois Pesticide Applicators License for the Lessee and each subcontractor who will apply pesticide on the property; **b)** up-to-date contact information of the Lessee and a list of all persons that will work on the Premises in conjunction with Lessee's farm operation using the format provided in the attached **Exhibit C**; **c)** any updates to Lessor-approved Conservation Plan (CP); **d)** proof of insurance per the specifications described in Paragraph 9 herein; **e)** comprehensive data of all pesticides used in the 12 months preceding December 1st of each year – including seeds tags and the trade name of each chemical, time(s) applied and rate per acre using the definition for "pesticide" and format provided in the attached **Exhibit D**; **f)** data regarding any application(s) of nutrients using the format provided in the attached **Exhibit E**; **g)** results of any soils samples taken by or on behalf of Lessee; **h)** documentation of the Average Production History (APH) through the Risk Management Association (RMA) Insurance; **i)** crop summary information for each field/year using the format provided in the attached **Exhibit F**. Additional documents may be required pursuant to the Conservation Plan referenced in Paragraph 7 hereof.
24. **Default by Lessee:** If and in the event any payment due or to become due hereunder shall not be paid when and as due, including, without limitation, the payment of rent stipulated herein, a late payment charge equal to five (5%) percent of the sum otherwise due shall be added to the payment due from Lessee and, in addition, any delinquent rent shall accrue interest from the due date at the rate of twelve (12%) percent per annum until paid. Nonpayment of rent

shall be a default as of the day following the day upon which it is otherwise due pursuant hereto and, at the option of the Lessor, shall be a basis for immediate termination of this Agricultural Lease Agreement and the tenancy created hereby by Lessor if notice of said termination is delivered to Lessee. If default is made with respect to the duties of Lessee contained in the Conservation Plan and the Conservation Plan Guidelines referenced in Paragraph 7 hereof or any other covenant herein contained to be kept by Lessee, Lessor may provide Lessee written notice of said default in conformance with Paragraph 21 hereof and allow Lessee sixty (60) days to cure same. In the event said default is not cured to Lessor's satisfaction within said sixty (60) day period, Lessor may by notice to Lessee declare this lease immediately terminated. In the event of termination for reason of default by Lessee, Lessee shall surrender possession of the Premises demised hereby and, in addition thereto, Lessor may, at its option, pursue the recovery of any and all sums due from Lessee including, without limitation, delinquent rent, late charge, interest and any damages it may have suffered.

25. **Covenant Against Hypothecation:** Lessee shall not pledge, hypothecate, assign, transfer, sublease, or alienate in any manner whatsoever any interest in and to this Agricultural Lease Agreement or the tenancy hereby created as collateral for indebtedness without, in each and every case, the prior written consent of Lessor, which consent Lessor may withhold or deny at its sole and absolute discretion.
26. **Successors and Assigns:** This Agricultural Lease Agreement shall be binding upon Lessor hereto and their respective heirs, devisees, successors, and assigns, as the case maybe unless the Lessee violates the provisions hereof or Lessor is ordered by the granting agency to cancel the lease. This Agricultural Lease Agreement shall be binding upon the Lessee unless the Lessee shall give notice to cancel not less than six (6) months prior to September 1st, in any lease year during the term hereof. Lessee shall not assign or sublease all or any interest in this Agricultural Lease Agreement without the prior written consent, in each instance, of Lessor, which consent may be withheld or denied by Lessor at its sole and absolute discretion. For the purposes hereof, if and in the event the Lessee is not a natural person, an assignment, transfer, sale or hypothecation of the membership interest or stock of Lessee equal to more than ten (10%) percent of the outstanding interest therein or shares thereof, as the case may be, is prohibited without the prior written consent of Lessor hereunder.
27. **Counterparts; Facsimile or .PDF Signatures:** This Agricultural Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original hereof and all said counterparts together shall be deemed to be a single instrument. Facsimile or .pdf signatures of any signatory hereto shall be sufficient and shall be as fully binding and enforceable as an original for all intents and purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Agriculture Lease Agreement to be executed at Woodstock Illinois, on the day and year first above written.

MCHENRY COUNTY CONSERVATION DISTRICT

LESSEE

By: _____
Elizabeth S. Kessler, MBA, CPRE
Executive Director

By: _____

Date: _____ day of _____, _____

Date: _____ day of _____, _____

Agriculture Lease Agreement

FROM

McHenry County Conservation District

18410 U.S. Highway 14

Woodstock, Illinois 60098

TO

Exhibit A

Depiction and Description of the Premises

(For the purposes of the Agricultural Lease Agreement, the "Premises" includes the tillable acres, represented by the area(s) depicted as "Cropland" in this exhibit as well as any associated field borders, filter strips and/or grassed waterways that may or may not be depicted herein.)

Exhibit B
Conservation Requirements
(Page 1 of 2)

1. Establishment of Field Borders, Filter Strips and Grass Waterways: Planting of any field borders, filter strips and grass waterways will be jointly coordinated between Lessee and the Lessor. A minimum of a 30-foot-wide grass field Strip around the tillable acres is required. If requested by Lessor, Lessee shall plant field borders, filter strips and grass waterways with seed mix provided by Lessor. If the establishment of any field borders, filter strips or grass waterways result in a reduction of the tillable acres, the rent due will be reduced accordingly. In the event any portions of field borders, filter strips or grass waterways on the Premises are enrolled and established through the Conservation Reserve Program (CRP), the District shall establish a separate lease on lands entered into the CRP program with the lessee and the acreage entered within the program shall be subtracted from the existing farm lease.
2. Maintenance of Field Borders, Filter Strips and Grass Waterways: Lessee shall also be required to monitor noxious weeds and brush growth, and **spot mow or apply herbicides only to infested areas** as determined by the Lessor, **with the express purpose of preventing weeds from going to seed on the premises. Mowing should occur no earlier than July 15th and no later than September 1st.** For any areas enrolled in CRP, Lessee shall maintain those portions in accordance with CRP rules and regulations in lieu of the foregoing.
3. Farm Service Agency (FSA) Disaster Declaration: In any year which FSA declares McHenry County to be a disaster county, the Lessor shall assist local farmers by opening up selected fields for haying, except those possessing threatened, rare or endangered flora or fauna, or high quality natural communities.
4. Grazing Limitation: The grazing of Lessor property shall reflect a normal carrying capacity for that site. The grazing limit for a particular site shall be determined by using the most recent edition of the Doane-Western publication titled "Facts and Figures for Farmers."
5. Drainage: The Lessee shall not place any new tile lines within agricultural fields or create any new ditches for the purpose of enhancing drainage, unless specified as part of the Conservation Plan. Existing tile lines and ditches may be repaired at the Lessee's expense. They may not be deepened or enlarged. If any malfunctioning tile lines or drainage ditches cause the Lessor to be in violation of any drainage laws, then the Lessor, at its own expense, shall make the necessary repairs to eliminate the violation. All repairs or modifications to existing drainage infrastructure (tiles, ditches etc.) shall be conducted in accordance with applicable regulations, including but not limited to, Federal wetland regulations and the provisions of the McHenry County Storm Water Ordinance.
6. Herbicide Restriction: During the term of this Agricultural Lease Agreement, Lessee shall not use any herbicides that will have any residual carry over effect on any grasses or broadleaf plants beyond the last year of the lease.

Conservation Requirements
(Page 2 of 2)

7. Sludge: No applications of municipal sludge material shall be applied on the Premises or any real estate owned by Lessor.
8. Tillage Practices: **Lessee agrees to use tillage that minimizes soil disturbance, preferentially using no-till practices.** Except with the express written consent of lessor as may be obtained on a case-by-case basis, no fall tillage is allowed except strip tillage for fall fertilizer application. However, no nitrogen may be applied in the fall. The allowable spring tillage practices shall be no more than vertical tillage, shallow disking

or strip tillage maintaining no less than 30% crop residue cover on the soil surface after planting.

9. Crop Rotation and Cover Crops: Except when mutually decided otherwise, the land use and cropping for agricultural leases shall be rotated crops. The use of cover crops is encouraged. An appropriate cover crop shall be planted after wheat or soybeans are harvested on areas designated as Highly Erodible Land (HEL). Lessee shall provide documentation to Lessor regarding cover crops as to species, rate and date planted.
10. Hunting Program: The Lessor reserves the right to use a farm tract for the Lessor Hunting Program at such time that existing crops are harvested and removed.
11. Lime: In the event of mutual termination of lease and tenant is in good standing with McHenry County Conservation District the cost of application of lime shall be pro-rated. Pro-ration shall be calculated over a three year time frame. The tenant will be reimbursed for any unused lime on a pro-rata basis.
12. Field Filter Strips (along streams & Ditches): Filter strips will be increased in width to a minimum of 65' along all waterways.
13. Nuisance Wildlife Issues on District Land: The District maintains a Class C Nuisance Wildlife Control Permit that allows **staff** to remove certain animals, including beaver, causing damage to District property, neighboring property, or property being rented in the farm program. The permit does not allow private individuals to remove animals or beaver dams. The District may provide permission to private individuals to remove nuisance animals or lessees to remove dams, but not without District approval. Nuisance wildlife complaints should be reported to the Agricultural Ecologist each time nuisance wildlife activity occurs. District staff will respond to each report with a site visit and evaluation within 7 days. Such responsibilities are not limited to a single notification, but are part of an ongoing lessee/lessor two-way communication system. It is common for new beaver issues to occur in areas previously under control as new animals migrate in and colonies not fully eradicated grow back in size. The lessee is responsible for notifying the District of any ongoing or new problems each time they occur.

Exhibit C
Lessee Contact Information

Submit this information via email or USPS mail to the following addresses:

bness@mccdistrct.org

*Agricultural Ecologist
18410 US Highway 14
Woodstock, IL 60098
(815)338-6223*

Date: _____

Name of Lessee (please print): _____

Lessee Name: _____

Address: _____

Phone Number (Home): _____ Cell: _____

Email Address: _____

Persons to Work on the Premises in Conjunction with Lessee's Farm Operation

(Lessee to provide name of all person's other than Lessee.)

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

Exhibit F
Crop Summary Form

The preferred method to submit this data is the use of our secure system:
<https://arcg.is/14a8LG>. Alternatively, data may be submitted via email or USPS mail to the following addresses:

bness@mccdistrict.org

Agricultural Ecologist
18410 US Highway 14
Woodstock, IL 60098
(815)338-6223

Farm Lease Parcel ID	Field #	Crop Year	Producer Name
Cover Crop			
Type (circle one)	a. Grass and legume b. None c. Other	d. Rye e. Three or more species f. Wheat	
Planting Date			
Installation Method			
Termination Date			
Termination Method (circle one)	a. Herbicide b. Rolling/crimping c. Other		
Tillage			
Date			
Type (circle one)	a. Heavy disking b. Light disking c. Mulching/Chopping	d. No till e. Other f. Strip till	
Crop Data			
Crop (circle one)	a. Alfalfa b. Corn c. Grass hay	d. Other e. Soybeans f. Vegetables	g. Wheat
Planted Acres			
Date Planted			
Harvested Acres			
Date Harvested			
Yield Type (circle one)	lbs. bushels		
Yield/acre			