

LEASE INFORMATION:

DAIRY / LIVESTOCK / DIVERSIFIED FARMS

The following items include (a) the types of information Iroquois Valley Farms LLC (referred to as “Iroquois Valley”) may request from potential lessees for the purpose of processing and analyzing their application; and (b) current information regarding fees, terms, and requirements associated with Iroquois Valley’s lease policy.

This document does NOT constitute an offer or promise to conduct any business with any party. Its sole purpose is to help prospective lessees understand various factors to which they should be attentive when conducting business with Iroquois Valley Farms LLC. Any and all terms included herein are subject to change at any time, and should not be construed as complete or exclusive.

Iroquois Valley is committed to providing opportunities for organic farmers and to ensure that all applicants are considered on an equal opportunity basis. Iroquois Valley does not discriminate against applicants by race or ethnicity, religion, national origin, sex, gender identity, disability, age, and/or veteran status.

We look forward to working with you in your application.

APPLICATION FEE

Please submit a loan application fee of \$400 to:

Iroquois Valley Farms LLC

P.O. Box 5850

Evanston, IL 60204

Please submit the following documents through our [secure upload folder](#):

LESSEE INFORMATION

- Farmer Questionnaire
- Business plan describing experience with various types of farming (e.g. row crops, dairy, livestock, poultry, orchards, fruits, vegetables, etc.); involvement of other family members or partners in the farm business(es); business structure (legal, organizational, etc); goals & strategy; market analysis; funding request. We understand that business plans come in many different formats – if yours does not perfectly align with these topics, please send it first and we will follow up with questions.
- Credit Report
- Balance Sheet – Current or no older than 90 days. Special attention to larger (5%+ by value) assets and liabilities. Please provide interest rates for loans, mortgages and other liabilities.
- Income Statement – Current or no older than 90 days.
- Projected Cash Flow – Three years total, starting with current year.
- Federal Tax Returns – Three (3) most recent years. Entire return unless otherwise stated (in some cases, the 2-page “1040”, “Schedule F”, and Depreciation Schedule(s) may be sufficient. Additional years may be requested.

PROPERTY INFORMATION

- Property Address and Description - Street address of the property; GPS coordinates; basic description including number and type of acreage (crops, pasture, woods, etc.), buildings, and any other significant features.
- Farm Productivity Data – Soil Data / Soil Map, Productivity data, Crop / Farming history as known or available.
- Survey – May be required. Dependent on a variety of factors relating primarily to easements or possible encroachments. If required, a recent survey (5 years or less) may be acceptable if there have been no material changes to the property since that survey. Borrower pays all costs of survey.
- Appraisal or Comparable Market Analysis (“CMA”) – Required to establish reference value for the loan’s collateral. Cost will be added to the borrower’s closing costs.

LEASE TERMS

- Structure – Leases for dairy, livestock, and/or diversified farms are structured with the following components:
 - Base Rent: A fixed annual percentage of the farm's Acquisition Base. The current annual rate is in the range of 4.00 to 6.00% for certified, or immediately certifiable, farmland. For farmland that needs to be transitioned to organic certification, the annual rate may be reduced to the range of 3.00% to 5.00% for the first two (2) years of the transition.
 - Capital Investment Rent: A fixed annual percentage equal to the prevailing annual base rent rate of the cumulative cost of additional investment(s) made in the farm by Iroquois Valley.
 - Reimbursement (Rent): Equals the total of real estate taxes, other levies or assessments, and insurance premiums. Insurance generally applies only if there are buildings on the farm.
- Payments: Rent is paid monthly as 1/12 of the combined annual rents components.
- Term – 6-year with a 3-year “evergreen” (automatic) renewal. Renewable indefinitely every 3 years.

REQUIREMENTS

- Organic Certification - Farmland shall be transitioned to certified organic status, and that certification shall be maintained for the duration of the loan. Please provide a copy of organic certification.
- Business Insurance – Maintain appropriate business insurance, including liability insurance, for all businesses operating on the property.
- Building Insurance – Maintain property insurance at a minimum level of the cash value of the property.
- Inspection – We anticipate that a representative from Iroquois Valley will visit the farm once a year.
- Energy Rights – No development or extraction of fossil fuels from the property during the duration of the loan. Development of renewable energy, specifically solar and/or wind power, allowed provided not more than 10% of the property is converted to, or impaired by, such development.
- EQIP Eligibility – Farm or property must be operated and maintained in a manner that is consistent with qualifying for the USDA's Natural Resources Conservation Services' (NRCS) Environmental Quality Incentives Program (EQIP) participation. Lessee may not cause or allow a violation of the Highly Erodible Land Conservation (HELC) / Wetland Conservations (WC) provisions to occur or persist on the farm or property.
- Board Approval – Purchase and lease contingent on approval by Iroquois Valley's Board of Directors or their duly empowered investment committee or agents.

OPPORTUNITY TO PURCHASE

General - While **NOT** a contractual option, Iroquois Valley's policy is to allow the farmer to purchase any or all of the farm at any time after leasing it for seven (7) years. Restrictions and requirements apply.

NOTES

- Additional Information – May be required depending on particular aspects of the potential investment.
- Waiver – Items may be waived as circumstances warrant and solely at Iroquois Valley's discretion.