

## Cash Farm Lease Agreement

**WHEREAS**, The Landowner (LESSOR), \_\_\_\_\_ holds fee simple title to that certain parcel of land commonly known as \_\_\_\_\_;

**WHEREAS**, \_\_\_\_\_ (Lessee) \_\_\_\_\_ (address) wishes to use a portion of \_\_\_\_\_ Farm for the sole purpose of farming, subject to the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the recitals set forth above and the mutual covenants and agreements set forth below, the parties do hereby agree as follows:

- 1. Lease Granted;** LESSOR rents and leases to the Tenant (Lessee), to use for agricultural purposes only, a portion of the \_\_\_\_\_ Farm located in the County of **Winnebago**, State of Illinois, and described as follows: FSA Farm # \_\_\_\_, Tracts \_\_ and \_\_\_\_ commonly referred to as selected cultivated portions of the subject property as shown in the attached maps and consisting of approximately \_\_\_\_\_ tillable acres in **2018**.
- 2. Term of Lease:** The term of this Lease shall be **ONE** crop year from **MARCH 1, 2018 to FEBRUARY 28, 2019**. An extension of this Lease must be made in writing and signed by both parties, and both the Lessor and the Lessee agree that failure to execute a written extension at least 60 calendar days before the end of the current Lease term shall be constructive notice of intent to allow this Lease to expire. The parties specifically agree that the four-month notice of termination provisions contained in 735 ILCS 5/9-206 of the Illinois Code of Civil Procedure are expressly waived. It shall be a condition to the exercise by Lessee of any option to renew this Lease that there be no uncured default by Lessee in the performance of this Lease at the time of the exercise of such option.
- 3. Lease Rent:** The Lessee shall pay the Lessor a cash rent as follows:  
CASH RENT OF \$\_\_\_\_\_ PER ACRE for approximately 130 tillable acres to be paid in two installments.

If the total crop acreage changes during the term of the Lease, or any extension thereof, then the total amount of rent due shall likewise change to reflect any change in the total crop acreage.

The March 1 2018 rent installment shall be \$\_\_\_\_\_.

The December 1 2018 final payment shall be the calculated annual rent per acre for that year based on the actual acreage cultivated (measured by GPS by both the LESSOR and the Lessee) less the March 1 payment.

Subsequent years of this Lease shall be calculated on an annual basis. The Lessor reserves the right to alter the terms of future leases to utilize a Rent Indexation calculation and agrees to consider a variable multi year lease at the end of this contract.

**Description of Land.** The Lessor rents and leases to the Lessee, to occupy for agricultural purposes only, the property known and described on the USDA FSA map for the Subject Property **attached hereto** and made part hereof (hereinafter referred to as the “leased property”), commonly referred to as selected cultivated portions of the \_\_\_\_\_ **Farm**, consisting of approximately \_\_\_\_ **acres** tillable.

**Amendments, Alterations and Assignments.** Any amendments or alteration to this lease must be made in writing and signed by both parties. If the parties fail to agree on proposed amendments or alterations, the existing provisions of the lease will control operations. Lessee shall not, without the prior express written approval of Lessor, which approval may be withheld in the sole discretion of Lessor, re-lease the Subject Property or assign this Agreement, or any of Lessee’s rights or obligations under this Agreement, to any other party.

**Lessee’s Duties.**

Lessee, for his/her part, at his/her sole expense further understands and agrees to:

1. To farm, cultivate, fertilize, and manage the Premises in a good and reasonable manner and according to the written **CROP PLAN, CONSERVATION PLAN** (developed by USDA NRCS) and a **NUTRIENT MANAGEMENT PLAN** (developed in partnership with a qualified LESSOR approved contractor, based on soil test data) and using **REGENERATIVE AGRICULTURAL PRACTICES** including cover crops as agreed upon by Lessee and Lessor. Lessee also agrees to keep the Premises in good condition and not allow any part of the Premises to become impoverished, and to have the arable land at all times clean and free from weeds and never sow with any prejudicial crop;
2. Farm said property in a good and husband like manner, fertilizing sufficiently so as not to deplete soil, and keeping all noxious weeds controlled in conformity with the law and sound agricultural practices.
3. Use non-residual fertilizers, pesticides, herbicides, and other chemicals and similar substances in order to avoid injury or damages to persons or property or both on the leased property and adjoining areas; to allow the planting of grassland crops in the following growing season; and to comply with state pesticide training, licensing, storing, and usage.
4. Ensure adequate soil nutrients are present by conducting, prior to fertilizing, soil tests, and providing soil test results to NRCS and LESSOR. The Lessee shall, at his/her own expense, fertilize so that soil nutrients (P,K,N,) are at a level recommended by the NRCS. Fertilizer and lime shall be applied based on soil test results, crop yield potentials, soil type, and nutrients applied from manure and previous crops in rotation. Lessee shall provide NRCS and Lessor with annual fertilizer application reports, and with proof of purchase and/or invoice for subcontractor application of fertilizer(s).
5. Lessee shall provide the NRCS and Lessor with annual pesticide application reports.

6. Protect existing trees, utilities, and other improvements from removal or damage unless agreed upon by both parties in writing.
7. Prevent all unnecessary waste, loss, or damage to the property of the Lessor and to operate the leased property in accordance with the best course of local farming practices and will not commit, or permit the commission by others, of any waste or nuisance on the property or permit its use for any unlawful purpose.
8. Employ a combination of conservation practices and management measures that shall control sheet and rill erosion, wind erosion, and ephemeral gully erosion to a level that shall maintain the soil resource base at or below 't' or tolerable soil loss, thereby maintaining the soil resource for sustained agricultural production. To inspect all tile lines and to keep ditches, tile drains, tile outlets, and grass waterways open and in good repair;
9. Generally follow Natural Resource Conservation Service and Farm Service Agency recommendations and to maintain all other requirements necessary to qualify current and future farm operators for participation in federal farm programs. Monitoring shall be carried out by the LESSOR to determine whether the Lessee is applying and maintaining conservation practices and requirements.
10. Mow all grass areas or noxious weeds in those areas designated by LESSOR. Such mowing shall be done at times directed by LESSOR.
11. Provide Lessor with crop yield information for growing years covered by this lease, including yield per acre, and any GPS crop yield maps generated by Lessee.
12. Keep records of all inputs of fertilizers, herbicides and pesticides, including dates applied and application rates, sales receipts, and provide such records to LESSOR annually or as requested by LESSOR.
13. Lessee shall, and shall cause all other persons working on the Subject Property, to follow all label instructions of any pesticides used on the Subject Property. Upon signing this Agreement, Lessee shall supply LESSOR with a copy of a valid State of Illinois pesticide applicator's license for each person who will be applying pesticide on the Subject Property during the term of this Agreement. If any such licenses expire during the term of this Agreement, Lessee shall be responsible for obtaining a renewal or new license to replace such an expired license and shall promptly provide LESSOR with a copy thereof.

**Activities Restricted.** The Lessee further agrees, unless written consent of the Lessor has been obtained:

1. Not to use herbicides with carry-over injury to rye equal to or greater than 12 months in the final year of the term of this Agreement. This includes, but is not limited to, the following herbicides: Atrazine and Atrazine containing compounds (such as Bicep, Buctril, Bullet, Extrazine, Laddock, Lariat, Marksmen, and Sutazine), Canopy, Command, Commence, Passport, Princep, Pursuit, Pursuit Plus, Salute, Scepter, Sencor, Squadron, Tri-Scept, and Turbo.

2. No pesticides shall be stored on the Subject Property unless they are in original, labeled containers, and then only during the period during which such pesticide is applied, which shall not exceed ten (10) days.
3. Not to assign this lease to any person or persons or sublet any part of the property herein leased as noted above.
4. Not to erect or permit to be erected any structure or building or to incur any expense to the Lessor for such purposes.
5. Not to permit, encourage, or invite other persons to use any part or all of this property for any purpose or activity not directly related to its use for agricultural production.
6. Not to allow any livestock on any portion of the leased property.
7. Not to cut live trees for sale purposes or personal uses. This excludes cutting of brush, dead tree limbs, or fallen trees that impede Lessee's vehicular movement in the leased tillable area. Any cutting of live trees inside forested areas that border the leased tillable area must be approved by LESSOR staff prior to work being initiated.
8. Not to hunt, fish, trap, or engage in any taking of game or non-game animals.
9. Not to engage in recreational shooting of firearms on the leased property or forested lands bordering the leased property.

**Restoration Management.** Upon termination of the Agreement, LESSOR may request the Lessee to provide services associated with restoration of the Subject Property. Such services may include, without limitation, plowing, herbiciding, tilling, and preparation for seeding, seeding, and maintenance mowing.

**Hazardous Materials.** Lessee (a) shall comply with all federal, state and local laws, ordinances, rules and regulations that prohibit, restrict or regulate any material defined therein as a hazardous, radioactive, toxic or carcinogenic material, substance, pollutant or contaminant in the use of the Subject Property; and (b) shall not permit any person to handle, bury store, retain, refine, produce, spill, allow to seep, leak, escape or leach, pump, pour, emit, empty, discharge, inject, dump, transfer or otherwise dispose of or deal with Hazardous Materials in, on, under or about the Subject Property.

**Termination.** Should Lessee default in the performance of any covenant, condition, or agreement in this lease, LESSOR may, without notice, terminate this lease and re-enter and regain total possession of the leased property. In this event, all rights of Lessee in and to the leased property will terminate. LESSOR may, with notice, re-enter and take total possession without force, and with or without legal process, evict and dispossess Lessee from the leased property. If Lessee is then indebted to Lessor, LESSOR will have a first lien on all crops of Lessee on the property in an amount sufficient to satisfy all sums due LESSOR under this lease. Immediately upon termination of this Agreement, for whatever reason, all rights granted to Lessee hereunder shall revert to LESSOR, and LESSOR shall have the right to release the Subject Property.

**Lessor's Right of Entry.** The LESSOR reserves the right personally or by agents, employees, or assigns to enter upon the property at any reasonable time to view the property, to work or make

repairs or improvements thereon, to consult with tenant, to engage in natural resource management, to conduct surface collecting of potential archaeological surface artifacts, and such other activities, none of which is to interfere with the Lessee in carrying out regular farm operations on the leased property. Wherever practical, Lessor will coordinate with Lessee in advance of any proposed entry.

**Keys and Locks.** Lessee shall not change, alter or replace any locks on the Subject Property. Lessee shall return all LESSOR keys for the Subject Property lock(s) within 10 days of Lease Agreement expiration or termination.

**Mineral Rights.** Nothing in this lease will confer upon the Lessee any right to minerals underlying said land. Such mineral rights are hereby reserved by the Lessor together with the full right to enter upon the leased property and to bore, search, excavate, work, and remove the minerals, and to deposit excavated material. The LESSOR agrees to reimburse the Lessee for any actual damage he may suffer for crops destroyed by their mining activities and to release the Lessee from obligation to continue farming the leased property when development of mineral resources materially interferes with Lessee's ability to make a satisfactory return.

**Limitation of Liability; Assumption of Risk; Indemnification.** The Lessee shall engage in farming and other permitted activities on the Subject Property, subject to the hazards incident to such activities, and assumes all risks associated therewith. Lessee assumes complete and strict liability for the actions of all of the people identified on the attached form. Lessee and all subcontractors shall hold harmless, indemnify, and defend LESSOR, its Trustees, agents, attorneys and employees against any and all losses, expenses, claims, costs, causes and damages, including without limitation, litigation costs and attorneys' fees and items related to this paragraph of the Agreement, resulting or alleged to result from (a) any failure on the part of the Lessee to perform or comply with any terms or conditions of this Agreement; or (b) any personal injuries or death or damages to property arising from, occurring, growing out of, incident to, or resulting directly or indirectly from the use of the Subject Property by Lessee or his/her agents or employees, including the people identified on the attached form, including any injuries, death or damages arising from their acts or omissions. The provisions and obligations of this paragraph shall survive this Agreement and the lease granted herein, and shall be in addition to, and shall not be limited by the amounts of any insurance provided by Lessee pursuant to this Agreement.

**Insurance.** Lessee shall obtain and maintain during the entire term of this Agreement, and any hold-over term, and at any time necessary to fulfill Lessee's indemnification obligations, at its sole expense, appropriate and adequate insurance for the term of this Agreement, pursuant to policies reviewed and approved by LESSOR, which shall include (a) property insurance coverage of Lessee's personal property in amounts determined by Lessee to be adequate; and (b) liability insurance coverage, which insures Lessee and any person, including subcontractors identified on the attached form, for personal injury, property damage, and death on the Subject Property, in the amounts not less than \$300,000. LESSOR shall be named as an additional insured on such liability insurance policies. As evidence of coverage, Lessee shall provide a copy of all insurance policies to LESSOR before the Agreement is valid. If the Lessee does not

have revolving policies, the Lessee shall annually provide LESSOR with copies of all insurance policies when the policies are renewed.

**Severability; Waiver.** If any provision of this Agreement shall be held invalid, the validity of any other provision of this Agreement that can be given effect without such invalid provision shall not be affected thereby. The waiver of one breach of any term, condition, covenant or

obligation of this Agreement shall not be considered to be a waiver of that or any other term, condition, covenant or obligation or of any subsequent breach thereof.

**Removal of Liens.** Lessee shall, and without any charge to LESSOR, keep the Subject Property free of any and all liens against the Subject Property in favor of any person whatsoever for or by reason of any equipment, material, supplies or other item furnished, labor performed or other thing done in connection with Lessee's use or occupancy of the Subject Property (a "Lien"). If the Subject Property becomes encumbered with any Lien, Lessee shall remove such Lien promptly and, in any event, not later than five (5) days after being directed to do so in writing by LESSOR. LESSOR shall have the right to remove or satisfy any Lien upon the Subject Property at any time with or without notice to Lessee, and shall be reimbursed by Lessee within ten (10) days after such amount is incurred, any amount that LESSOR incurs to remove or satisfy the Lien, including the costs, expenses, attorneys' fees, and administrative expenses incurred by LESSOR in connection therewith or by reason thereof.

**Compliance with Laws.** Lessee shall give all notices, pay all fees, and take all other action that may be necessary to ensure that all activities on the Subject Property are provided, performed, and completed in accordance with all applicable laws, statutes, rules, regulations, ordinances, and requirements, and all required governmental permits, licenses or other approvals and authorizations that may be required in connection with providing, performing, and completing such activities.

**Applicable Law.** Regardless of the place of its physical execution, this Agreement shall be interpreted under and governed by the laws of the State of Illinois.

**Enforcement Costs.** Lessee agrees to pay all reasonable costs, attorneys' fees and expenses incurred by LESSOR in enforcing the covenants, terms and conditions of this Agreement.

**Lease only Granted.** This Agreement grants only a contractual lease to use the Subject Property under the terms and conditions contained within. Further, the rights granted by LESSOR herein shall vest only in Lessee and no such rights shall vest in any of Lessee's employees, agents, subcontractors or partners, if any. Nothing in this Agreement shall be construed to convey to Lessee any legal or equitable interest in the Subject Property.

**Condition of Subject Property.** Lessee has inspected the subject property prior to signing this Agreement and accepts the condition of the Subject Property 'as is' including, but not limited to, the soil conditions of the Subject Property.

**Notices.** Lessee agrees to provide written notice to LESSOR one year in advance of intent not to lease the property.

All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed received by the addressee thereof when delivered in person on a business day at the address set forth below or on the third business day after being deposited in any main or branch

United States Post Office for delivery at the address set forth below, by properly addressed, postage prepaid, certified or registered mail, return receipt requested.

Notices and communications to LESSOR shall be addressed to, and delivered at, the following address:

XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
Attention: Executive Director  
XXXXXXXXXXXXXXXXXX (email)

Notices and communications to Lessee shall be addressed to, and delivered at, the following address:

XXXXX XXXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

By notice complying with the requirements of this Section, Lessee and LESSOR each shall have the right to change the address or addressee or both for all future notices, but no notice of a change of address or addressee shall be effective until actually received.

IN WITNESS THEREOF, the parties have signed this lease on the date first written above.

LESSOR:

Lessee:

\_\_\_\_\_  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

\_\_\_\_\_  
XXXX XXXXX

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_

The Lessee has listed the following persons, including any subcontractors, who will be performing any work on the Subject Property. Besides these identified persons, Lessee shall not permit any other person to use the Subject Property without the prior written consent of the Executive Director of LESSOR.

Persons or Subcontractors that shall work on the Subject Property include:

<u>Name</u>	<u>Affiliation (e.g., company name, employee, etc.)</u>	<u>Phone Number</u>
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