



# LIVINGSTON COUNTY BOARD

112 WEST MADISON STREET • PONTIAC, ILLINOIS 61764

PH: 815-844-6378 • FAX: 815-844-6401

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October 5<sup>th</sup>, 2012

Dear Bidder:

Attached please find the farm lease(s) for the Livingston County farm ground. Sealed bids, labeled "**Farm Bid – Do Not Open**", are due back to the Livingston County Board Office at their temporary office located at 211 E. Madison St., Pontiac Illinois, by Monday, November 5<sup>th</sup>, 2012 at 4:00 p.m. Bids will be opened on Monday, November 5<sup>th</sup>, 2010 at 6:00 p.m.

The County also issues the following policy statement regarding the bidding process.

1. The bidding method is the traditional method used by Livingston County to determine the price of a contract, wherever this method is practical.
2. Our principal purpose in using this method is not to exact the highest possible dollar of rent, but to eliminate any valid charge of favoritism in determining who shall farm the County ground.
3. Persons submitting bids do so, on their own free will.
4. It is the bidder's responsibility to know and understand the full terms of the bidding process and lease agreement.
5. The high bidder must submit a credit reference, such as a bank, for the use of the committee.
6. The County Board shall determine to whom the contract shall be awarded.
7. The County reserves the right to reject any or all bids.
8. All bids will be opened, read aloud and recorded.

Sincerely,

Livingston County  
Public Property Committee



Livingston County Cash Farm Lease

Livingston Manor Farm  
&  
H & E Farm

**Livingston County Cash Farm Lease**  
**Livingston Manor and H & E Farms**

**Date and names of parties.** This lease is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2012 between:

**Lessor(s):**

Name: Livingston County  
Contact: Ron Deany, Property Committee  
Address: 112 West Madison Street  
City, State, Zip: Pontiac, IL 61764  
Phone: 815-844-6378  
Fax: 815-844-6401

*and*

**Lessee(s):**

Name:  
Contact:  
Address:  
City, State, Zip:  
Phone:  
Fax:

***The parties to this lease agree to the following provisions.***

## Section 1. Description of Rented Land and Length of Tenure

- A. Description of Land.** The Landowner (Lessor) rents and leases to the Tenant (Lessee), to occupy and to use for agricultural purposes only, the following real estate located in the County of Livingston and the State of Illinois and described as follows on the USDA, FSA abbreviated 156 Farm Record dated 2006:

*The West Half (W1/2) of the Southwest Quarter (SW1/4) of Section Four (4), Township 27 North, Range 5 East of the Third Principal Meridian, consisting of approximately 68 cropland acres and that portion of the Southeast Quarter (SE1/4) of Section Five (5), Township 27 North, Range 5 East of the Third Principal Meridian, presently being used for agricultural purposes, consisting of approximately 140 cropland acres, all located in Livingston County, Illinois and containing a total of approximately 208 cropland acres.*

commonly known as the *Livingston Manor Farm* and consisting of approximately **208** cropland acres, together with all buildings and improvements thereon belonging to the Lessor.

and

*The East Half (E1/2) of the North Half (N1/2) of the Southeast Quarter (SE1/4) of Section twenty-seven (27) Township Twenty-Eight (28) North, Range Five (5) East of the Third Principal Meridian, Consisting of 5.8 cropland acres, more or less, presently being used by agricultural purposes, all of which is situated in Livingston County Illinois.*

Commonly known as the *Livingston County South (H&E) Farm* and consisting of approximately **5.8** cropland acres, together with all buildings and improvements thereon belonging to the Lessor.

- B. Length of tenure.** The term of this lease shall be from December 1<sup>st</sup>, 2012 to November 30<sup>th</sup>, 2014, and the Lessee shall surrender possession at the end of this term or at the end of any extension thereof. Extensions must be in writing and attached to this lease:

## Section 2. Fixed Cash Rent

1. Tenant agrees to pay Landowner an annual fixed cash rent of \$ \_\_\_\_\_. This represents approximately 213.8 acres of cropland at \$ \_\_\_\_\_ per acre. The cash rent shall be paid in semi-annual installments. Payment One, for the 2013 year, shall be due on **March 1, 2013** and shall be \$ \_\_\_\_\_. Payment Two, for the 2013 year, shall be due on **September 1, 2013** and shall be \$ \_\_\_\_\_. Payment Three for the 2014 year, shall be due on **March 1, 2014** and shall be \$ \_\_\_\_\_. Payment Four, for the 2014 year, shall be due on **September 1, 2014** and shall be \$ \_\_\_\_\_.

## Section 3. Investments and Expenses

- A. The Landlord agrees to furnish the property and to pay the items of expense listed below:**

1. The above-described farm, including fixed improvements.
2. Materials for necessary repairs and improvements to buildings and permanent fences except as agreed to in amendments to this lease.

3. Skilled labor employed in making and repairing improvements.

**B. Lessee agrees to furnish the property and to pay the items of expense listed below:**

1. All the machinery, equipment, labor, fuel, and power necessary to farm the premises using the best management and operational practices.
2. The hauling to the farm, except when otherwise agreed, of all material, which the Lessor furnishes for making repairs and minor improvements, and the performing of labor, except skilled, required for such repairing and improving.
3. All seed, inoculation, disease-treatment materials, pesticides, herbicides and fertilizers.
4. Water for the proper mixing of fertilizers and agricultural chemicals.
5. Ground limestone: Lessee is to furnish 100 percent of total cost, including hauling and spreading. Refer to Section 5D "End of Lease Reimbursements."

**Section 4. Tenant's Duties in Operating Farm**

*The Tenant further agrees to perform and carry out the stipulations below.*

**A. Activities required:**

1. To farm the land in a husband-like manner, following such crop rotations, till practices, fertilizer programs, and conservation measures as will build and maintain the fertility and productiveness of the land. **Crop rotations shall begin with the 2013 season crop being one other than beans. Thereafter, there shall not be continuous cropping of any one particular crop.**
2. To cultivate the farm faithfully and in a timely, thorough, and businesslike manner.
3. To prevent weeds from going to seed on said premises and to destroy the same and keep the weeds and grass cut.
4. To haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements.
5. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
6. To preserve established watercourses or ditches, and to refrain from any operation that will injure them.
7. To keep buildings, fences (including hedges), and other improvements in good repair and condition as they are when the Tenant takes possession or in as good repair and condition as they may be put by the Lessor during the term of the lease – ordinary wear, loss by fire, or unavoidable destruction excepted.
8. To take proper care of all trees, and shrubs, and to prevent injury to the same.
9. To keep the farmstead neat and orderly.
10. To prevent all unnecessary waste, or loss, or damage to the property of the Lessor.
11. To comply with pollution control and environmental protection requirements as required by local, state, and federal agencies, as well as to implement soil erosion control practices to comply with the soil loss standards mandated by local, state, and federal agencies.
12. To use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other chemicals and similar substances; to read and follow label instructions for the use of such materials in order to avoid injury or damages to persons or property or both on the leased premises and adjoining areas; and to comply with state pesticide training, licensing, storing, and usage.

13. Any chemicals for weed or insect control or other use, when used, should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved. **The Tenant agrees to provide to the Lessor, annually, by November 1<sup>st</sup>, a written report indicating the product name, amount, date of application and location of application of all pesticides, fertilizers, and seed used on the farm.**
14. No chemicals will be stored on the property. When chemicals or petroleum products are pre-staged for impending use on this farm, they will be only those planned to be used on this farm and they will be in closed, weather tight containers above ground and clearly marked. No chemicals or chemical containers will be disposed of on the property.
15. To 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 to participate in federal farm programs.
16. That the concept and practice of "Roadsides for Wildlife" will be practiced. That ditches not be mowed until after August 1<sup>st</sup>; that appropriate herbicides be used to control weeds and be applied in a manner and at a time so as not to harm neighboring crops. Questions regarding "Roadsides for Wildlife" should be address to Mr. Stan Etter, Department of Natural Resources at (217) 784-4730.
17. That soil testing be done after execution of the lease and prior to the beginning of first Spring farming operations. Testing should be conducted by a mutually agreed upon commercial agency experienced in agricultural operations. Results to be shared with the Lessor. Costs, if any, shall initially be the responsibility of the Lessee. The Lessor shall reimburse the Lessee with one-half (½) the testing costs, if any, within 60 days upon the Lessor receiving a copy of the testing results and invoice.
18. At a minimum, fertilization shall be accomplished to fulfill the recommendation resulting from soil testing in order to sustain and enhance soil productivity. Fertilization will be done at the expense of the Lessee, except where modified in Section 3, Part B and Section 5, Part D, End of Lease Reimbursements.
19. To preserve the integrity of the boundaries of the farm property, the boundaries of the Livingston Manor Cemetery and its right-of-way South to 1400 North Road.

*The Tenant further agrees, unless the written consent of the Lessor has been obtained:*

**B. Activities restricted:**

1. Not to assign this lease to any person or persons or sublet any part of the premises herein leased.
2. Not to erect or permit to be erected any structure or building or to incur any expense to the Lessor for such purposes.
3. Not to add electrical wiring, plumbing, or heating to any building. (If consent is given such additions must meet standards and requirements of power and insurance companies.)
4. Not to plow permanent pasture or meadowland.
5. Not to allow any stock on any tillable land except by annual agreement.
6. Not to burn or remove cornstalks, straw, or other crop residues grown upon the farm.
7. Not to cut live trees for sale purposes or personal uses.
8. Not to erect or permit to be erected any commercial advertising signs on the farm, other than seed variety signs.
9. Not to enter into any agreement, contract, or other farming or business arrangement that alters rights in the Lessor's security interest, right of entry, default or possession.
10. 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, except as specifically noted here.

## Section 5. Management and Business Procedures

*The Lessor and Tenant agree that they will observe the following provisions.*

- A. General Cropping System.** Except when mutually decided otherwise, the land use and cropping shall be rotated crops. **Crop rotations shall begin with the 2013 season crop being one other than beans. Thereafter, there shall not be continuous cropping of any particular crop.**
- B. Insurance.** For the term of the lease, Tenant shall maintain insurance with a carrier acceptable to the Landlord, insuring Tenant while performing on these premises. Lessee will name Livingston County as additionally insured at a minimum of \$1 million for general liability insurance and property insurance. Tenant shall furnish Landlord with a Certificate of Insurance and give notice of termination of coverage.
- C. Financial and production records.** The Tenant agrees to keep financial and production records of the farm business and to furnish an annual **production** report to the Lessor, on such forms as the Lessor may provide, on or before November 1<sup>st</sup>, annually, **unless harvest is delayed by weather, then as soon as practical.**
- D. End of lease reimbursements.** At the end of this lease, the Lessor agrees to reimburse the Tenant:  
Assuming an expected useful life of four years per lime application; **when lease terminates, and if successor tenant changes, former tenant will be reimbursed for remaining percent life expectancy of lime. Example: if change of tenant, who applied lime, occurs after two years, former tenant would be reimbursed for 50% of his lime input costs.**
- E. Land use in last year of lease.** If, during the last six months of the lease term, or after notice to terminate has been given if this lease has become a year to year lease, the parties fail to agree on questions of land use, cropping system, fertilizer applications, or any deviations from the lease provisions, then the specific agreements in this lease shall prevail or, in the absence of agreements in the lease, the Lessor shall decide and the Tenant agrees to abide by the Lessor's decisions. The Lessor's decisions shall not contradict any provisions in this lease or violate good farming procedures.
- F. Conservation.** Both Lessor and Tenant affirm the goals of minimizing soil erosion losses and preserving the productivity of the land in ways that are consonant with their needs and desires for acceptable current returns to their individual inputs on the leased premises. To these ends they agree to implement as far as possible the best management practices recommended by the Natural Resource Conservation Service and to cooperate with that agency's soil and water conservation programs.
- G. Tenant responsible for hired labor.** The Tenant shall be solely responsible for all employer obligations on hired labor with respect to safety requirements and social security and workers' compensation contributions, and the Lessor shall have no responsibilities therefore.

## **Section 6. Default, Possession, Landlord's Lien, Right of Entry, Mineral Rights, Liability, Extent of Agreement**

*The Lessor and Tenant agree to the following provisions.*

- A. Termination upon default. If either party fails to carry out substantially the terms of this lease in due and proper time, the lease may be terminated by the other party by serving a written notice citing the instance(s) of default and specifying a termination date of 10 days from the date of such notice. Settlement shall then be made in accordance with the provisions of Clause B of this section, the reimbursement agreements of Section 5, and any amendments to this lease.
- B. Yielding possession. The Tenant agrees at the expiration or termination of this lease to yield possession of the premises to the Lessor without further demand or notice, in as good order and condition as when they were entered upon by the Tenant, loss by fire, flood, or tornado, and ordinary wear excepted. If the Tenant fails to yield possession, the Tenant shall pay to the Lessor a penalty of \$100 per day or the statutory double rent, whichever is less, for each day the Tenant remains in possession thereafter, in addition to any damages caused by the Tenant to the Lessor's land or improvements, and said payments shall not entitle the Tenant to any interest of any kind or character in or on the premises.
- C. Landlord's lien. The Landlord's lien provided by statute on crops grown or growing, together with any other security agreement(s) created by Tenant in favor of Landlord, shall be the security for the rent herein specified and for the faithful performance of the terms of the lease. Tenant consents to any filing required by law to perfect the statutory landlord's lien upon crops. If the Tenant 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 Tenant.
- D. Landowner's right of entry. The Lessor reserves the right personally or by agents, employees, or assigns to enter upon the premises at any reasonable time to view them, to work or make repairs or improvements thereon, to care for and dispose of the Lessor's share of crops, to develop mineral resources as provided in Clause E below, or, after constructive notice has been given that the lease may not be extended, and following severance of crops, to plow and prepare a seed bed, apply fertilizers, and any other operation necessary to good farming by the succeeding operator, these operations not to interfere with the Tenant in carrying out the regular farming operations.
- E. Mineral rights. Nothing in this lease shall confer upon the Tenant any right to minerals underlying the land. Such mineral rights are hereby reserved by the Lessor together with the full right to enter upon the premises and to bore, search, excavate, work, and remove the minerals, to deposit excavated rubbish, to pass over the premises with vehicles, and to lay down and work any railroad track or tracks, tank, pipelines, power lines, and structures as may be necessary or convenient for the above purpose. The Lessor agrees to reimburse the Tenant for any actual damage the Tenant may suffer for crops destroyed by these activities and to release the Tenant from obligation to continue farming this property when development of mineral resources interferes materially with the Tenant's opportunity to make a satisfactory return.
- F. Landowner liability. The Tenant takes possession of the leased premises subject to the hazards of operating 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 buildings, fences, tile, and other improvements.
- G. Binding on heirs, etc. The terms of this lease shall be binding on the heirs, executors, administrators, and assigns of both Lessor and Tenant in like manner as upon the original parties.

**Section 7. Additional Lease Provisions**

**I/We the parties to the Lease acknowledges receipt of a copy of the Lease, that I/we have read the Lease, and understand and accept the requirements and provisions therein, and agree to abide by them.**

**Signatures of parties to lease:**

\_\_\_\_\_ *Landowner* \_\_\_\_\_

*Date*

\_\_\_\_\_ *Landowner* \_\_\_\_\_

*Date*

By \_\_\_\_\_ *Agent* \_\_\_\_\_

*Date*

\_\_\_\_\_ *Tenant* \_\_\_\_\_

*Date*

\_\_\_\_\_ *Tenant* \_\_\_\_\_

*Date*

**Point of Contact for resolving questions regarding this Lease is Ron Deany (815)674-1650 of the Property Committee of the County Board, or his successor.**