



LIVINGSTON COUNTY BOARD

112 WEST MADISON STREET • PONTIAC, ILLINOIS 61764

PH: 815-844-6378 • FAX: 815-844-6401

August 23, 2023

FARMLAND OFFERED

Dear Interested Parties:

Livingston County is accepting bids for the lease of 216.51, more or less, acres adjacent to the former Livingston Manor along Route 66, for lease on variable cash rent basis for the farming season beginning January 2024.

The Lease will be offered to the qualified bidder offering the **highest minimum rent** per acre.

Please submit sealed bid proposals to Alina Hartley, Livingston County Board Office 112 W. Madison St., Pontiac, IL 61764 **no later than 2 p.m. on Thursday, September 28, 2023**. Livingston County reserves the right to accept or reject any and all bids, or waive any minor irregularities.

Sincerely,

A handwritten signature in black ink that reads "Alina Hartley".

Alina Hartley
Executive Director
Livingston County Board Office

Name : _____

Address: _____

City, State, Zip: _____

Phone Number: _____

Minimum Rent Proposal: _____



Livingston County Flex Cash Rent Farm Lease

Livingston Manor Farm

Livingston County Flex Cash Rent Farm Lease
Livingston Manor Farm

Date and names of parties. This lease is entered into on the 12th day of October, 2023 between:

Landlord (hereinafter “Landlord” and “Leasee”):

Name: Livingston County
Contact: Alina Hartley, Executive Director
Address: 112 West Madison Street
City, State, Zip: Pontiac, IL 61764
Phone: 815-844-6378
Fax: 815-844-6401

and

Tenant(s) (hereinafter “Tenant” and “Lessor”):

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

The Landlord rents and leases to the Tenant, to occupy and to use for agricultural purposes only, the following described real property ("Property"), consisting of approximately 216.51 acres more or less, located in the County of Livingston, State of Illinois and more specifically described as:

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, 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, all located in Livingston County, Illinois and containing a total of approximately 216.51 cropland acres.

The term of this lease shall be from January 1, 2024 to December 31, 2024 and shall continue from year to year thereafter, for a maximum of five years total, unless terminated according to the provisions of Section Five (A).

SECTION ONE: CASH RENT

The Tenant agrees to pay to the Landlord or his agent minimum rent for the above-described farm the sum of \$ [REDACTED] per acre on 216.51 tillable acres (\$ [REDACTED].00) per crop year (being that period from the first day of January in each year to the last day of December the same year) on or before **March 1** of each lease year and a balance rent on or before December 1 in each lease year commencing January, 2024. Balance rent shall be calculated by taking the average yield times the published USDA crop insurance price (Average of spring and fall prices) times the planted acreage times 35%, less the minimum rent. If the gross income from the yield/price calculation is over \$1,400, the rent shall be calculated as 35% of the gross up to \$1,400.00 and then 20% of the gross from \$1,400.01 to total gross income. Proof of yield will

be by elevator scale sheets and acreage by FSA certification paperwork.

Example:

- Farm average yields are 225 bu/ac for corn and 70 bu/ac for soybeans
- Average USDA prices are \$7.00/bu for corn and \$13.00/bu for soybeans
- Corn: $225 \text{ bu/ac} \times \$7.00/\text{bu} = \$1,575$ gross per acre
- Soybeans: $70 \text{ bu/ac} \times \$13.00/\text{bu} = \$910$ gross per acre
- Total corn rent per acre: $\$1,400 \times 35\% + \$175 \times 20\% = \$525.00$
- Total soybeans rent per acre: $\$910 \times 35\% = \318.50

SECTION TWO: EXPENSES

Landlord shall pay the general real estate taxes, special assessments, if any, and all drainage taxes assessed or levied against the premises during the term of this Lease. Tenant agrees to pay 100% of the soil testing and provide a copy of the most recent soil test when taken. Tenant will pay 100% of limestone applied and spread on the farm when recommended by certified agronomist. Landlord will pay 100% of repairs to existing underground drainage. Tenant shall be responsible for payment of all other expenses involved in the farming operation as described hereinafter.

SECTION THREE: ACTIVITIES REQUIRED

The Tenant further agrees that he will 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 2024 season crop being one other than corn. 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 noxious weeds from going to seed on said premises; to destroy the same and to keep the weeds and grass cut on the roadsides and fencerows.
4. To preserve established watercourses, tile drains, tile outlets, grass waterways, and terraces, and to refrain from any operation that will injure them.
5. To keep any real estate improvements, fences (including hedges), tile drains, and other improvements in as good repair and condition as they are when he takes possession or in as good repair and condition as they may be put by the Landlord during the term of the lease; ordinary wear, loss by fire, or unavoidable destruction excepted.
6. To prevent all unnecessary waste, or loss, or damage to the property of the Landlord.
7. 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.

8. 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.
9. 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.
10. Soil testing shall be done after execution of the lease and prior to the beginning of the first Spring farming operations, and every year thereafter, the cost of which will be borne by the Tenant. Testing should be conducted by a mutually agreed upon commercial agency experienced in agricultural operations. Results shall be shared with the Lessee

B. Activities Restricted:

1. The Tenant further agrees, unless he shall first have obtained the written consent of the Landlord:
 - (a) Not to assign this lease to any person or persons or sublet any part of the premises herein leased.
 - (b) Not to erect or permit to be erected any structure or building or to incur any expense to the Landlord for such purposes.
 - (c) Not to hunt or allow any person or persons to hunt on any part of the premises herein leased.
2. The Tenant further agrees, unless he shall first have obtained the oral consent of the Landlord:

- (a) Not to plow permanent pasture or meadowland.
- (b) Not to allow any stock on any tillable land except by annual agreement.
- (c) Not to burn or remove cornstalks, straw, or other crop residues grown upon the farm.
- (d) Not to pasture new seedlings of legumes or grasses in the year they are seeded.
- (e) Not to erect or permit to be erected any commercial advertising signs on the farm.

SECTION FOUR: MANAGEMENT AND BUSINESS PROCEDURES

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

- A. The Landlord and Tenant shall decide whether to enter into multi-year governmental programs designed to aid agriculture and how payments for doing so and the cost involved shall be shared between them. Tenant shall have the right to wholly determine his participation in single-year governmental programs and shall be entitled to any government payments and shall be responsible for making any reimbursements required by the terms of said programs.
- B. The Landlord agrees to reimburse the Tenant for his cost (above government payments received) remaining at the end of this lease when his net cost is depreciated at the following annual rates: limestone, 20 percent.
- C. The Tenant agrees to keep production records of the crops grown on the rented acreage and to furnish an annual production summary including elevator scale reports to the Landlord along with Tenant's final rent payment by December 1st of

each year. In addition, Tenant shall provide copies of all as applied fertilizer and limestone maps.

**SECTION FIVE: DEFAULT, POSSESSION, LANDLORD'S LIEN,
RIGHT OF ENTRY, MINERAL RIGHTS, EXTENT OF AGREEMENT**

- A. Termination. This Agreement shall be automatically extended for successive one-year periods after the expiration of the initial term, for a maximum term of five years, unless Landlord or Tenant notifies the other party of its intent to terminate the Agreement by November 1 of the current lease year. If either party fails to carry out substantially the terms of this lease in due and proper time, the non-defaulting party shall give written notice to the other party specifying in detail the nature of the default. Defaults shall be cured within 30 days of the date of the notice. If a default is not cured within the appropriate time, the lease may be terminated by the non-defaulting party by serving a written notice of termination. Such determination shall be immediately if the default is resulted in or is likely to result in significant damage to the land. Otherwise, such termination shall be effective as soon as the then planted crop shall be harvested. Settlement shall then be made in accordance with the provisions of paragraph B of this section and reimbursement agreements of Section Four and of any amendments to this lease.
- B. Yielding Possession. The Tenant agrees that at the expiration or termination of this lease he will yield possession of the premises to the Landlord without further demand or notice. If the Tenant fails to yield possession, he shall pay to the Landlord a penalty of \$100.00 per day or the statutory double rent, whichever is less, for each day he remains in possession thereafter, in addition to any

damages caused by the Tenant to the Landlord's land or improvements, and said payments shall not entitle said Tenant to any interest of any kind or character in or on the premises.

C. Security Interest; Agricultural Lien.

a. Grant. Lessee hereby grants Lessor a security interest in the crops to be raised on the Premises during the term of this Lease ("Crops") and the proceeds of all government programs accruing in connection with the Premises during the term of this Lease, to the extent that such proceeds may be pledged as security for this Lease, in order to secure performance of Lessee's obligations hereunder ("Security Interest").

b. Landlord's Lien. Lessee hereby acknowledges that Lessor also has a statutory agricultural landlord's lien on the Crops to secure performance of Lessee's obligations hereunder ("Lien").

c. Authorization. Lessee hereby authorizes Lessor to file a financing statement and to take any other action necessary to perfect the Security Interest and the Lien.

d. Cooperation. Lessee shall cooperate with any request of Lessor, execute any documents or instruments, and take any action requested by Lessor in connection with the perfection, priority or preservation of the Security Interest and the Lien.

e. Subordination. Lessee acknowledges the priority of the Security Interest and the Lien. Lessee shall not take any action which may reasonably be expected to impair the priority of the Security Interest or the Lien without the prior written consent of Lessor. Lessee shall ensure that all other financing, liens, indebtedness or other obligations of Lessee other than those contained herein shall be subordinate and inferior to the Security Interest and the Lien. Lessee

shall take all actions and execute all documents and instruments deemed necessary or desirable by Lessor to subordinate such financing, liens, indebtedness or obligations or to protect the priority of the Security Interest and the Lien.

f. Lessee Identification. Lessee shall not change Lessee's name or address, or Lessee's state of incorporation, organization or domicile, from the information set forth herein, during the term hereof or so long as Lessee's obligations to Lessor hereunder remain unsatisfied, unless Lessee provides at least thirty (30) days prior written notice to Lessor of such change.

D. Landlord's Right of Entry During Term of Lease. The Landlord reserves the right of himself, his agents, employees, or assigns to enter upon said premises at any reasonable time for purpose of viewing the same, of working or making repairs or improvements thereon, or, after notice of termination has been given and following severance of crops, of plowing, preparing a seedbed, making seedings, gleaning corn, applying fertilizers, and any other operation necessary to good farming by the succeeding operator, the same not to interfere with the Tenant in carrying out the regular farming operations.

E. Extent of Agreement. The terms of this lease shall be binding on the heirs, executors, administrators, and assigns of both Landlord and Tenant in like manner as upon the original parties.

Dated this ____ day of _____, 20 ____.

Landlord:

Tenant:
