

FARM LEASE

This Farm Lease ("Lease") is entered into as the result of a binding, 60-day non-revocable proposal, which will be accepted only if this Lease is executed. If the proposal of _____ ("Lessee") is accepted, this Lease is entered into between Johnsburg Community Unit School District No. 12 ("Lessor") and Lessee.

In consideration of the mutual promises and covenants contained herein, the parties agree to the following provisions.

1. Description of Leased Premises

- 1.1 Lessor rents and leases to Lessee, to use for agricultural purposes only, 119 acres of farmland, of which approximately 85 are tillable, in McHenry Township, McHenry County, Illinois, as legally described on Exhibit A ("Premises").
- 1.2 The rent is based on the number of tillable acres. Lessee's obligations under the Lease other than rent shall extend to untiltable land as well as to tillable land.

2. Term

- 2.1 The term of this Lease shall be 3 years from March 1, 2024 to February 28, 2027.
- 2.2 Lessee shall not be entitled to use the Premises until Lessee has paid rent as provided in Article 3 and has provided Lessor with a copy of the insurance policy with endorsements and exclusions required under Article 4.
- 2.3 Lessee has no option to extend the Lease term or to renew the Lease.
- 2.4 Lessee has no right to possess the Premises after February 28, 2027. Lessee shall return the premises to Lessor in substantially the same condition as Lessee received it excluding normal agricultural use. All machinery, debris and possessions of Lessee shall be removed from the Premises by that date.
- 2.5 In the event Lessee fails to yield possession of the Premises by February 28, 2027, or to remove Lessee's machinery and the other possessions, or debris, from the Premises by that date, Lessee shall pay Lessor rent of One Thousand Dollars (\$1,000) a day from March 1, 2027 and for each day thereafter.

3. Rent

- 3.1 The Lessee shall pay the Lessor an annual rent per acre of \$_____ (annual total \$_____) by February 15, 2024 for year one, an annual rent per acre of \$_____ (annual total \$_____) by January 15, 2025 for year two and \$_____ per acre (annual total \$_____) by January 15, 2026 for year three.

4. Insurance

- 4.1 For the full term of this Lease, Lessee shall maintain at his/its sole cost and expense, general liability insurance on the Premises with an insurer acceptable to Lessor.
- 4.2 Lessee's insurance policy shall name Lessor as an additional insured and shall provide that it is the primary policy for Lessor for any claim against Lessor arising out of the Lessee's occupation and use of the Premises. The Policy shall not be contributing with any other insurance coverage. Any other insurance coverage Lessor has shall be excess or contingent coverage.
- 4.3 Lessee's insurance policy shall provide Lessor with minimum liability coverage limits of One Million Dollars (\$1,000,000) per occurrence, One Hundred Thousand Dollars (\$100,000) per person, and property damage limits of One Hundred Thousand Dollars (\$100,000).
- 4.4 Lessee's insurance policy shall provide that Lessor will receive at least thirty (30) days written notice of any amendments or changes to the policy or coverage.
- 4.5 Prior to taking possession of the Premises, Lessee shall deliver to Lessor a copy of the insurance policy and all endorsements and exclusions.
- 4.6 Lessor may have its own insurance policy for the Premises in addition to the coverage provided by Lessee. Any such policy shall be excess coverage. Lessor has no obligation to name Lessee as an additional insured on any policy it carries.

5. Lessor's Obligations

Lessor agrees to do the following in regards to the Premises during the term of the Lease.

- 5.1 Give Lessee possession of, and use of, for agricultural purposes only, the Premises.
- 5.2 Pay taxes on the land, improvements, and personal property owned by the Lessor.

6. Lessee's Obligations

Lessee agrees to do the following in regards to the Premises during the term of the Lease.

- 6.1 Pay all premiums and costs for the insurance policy described in Article 4.

- 6.2 Pay for all machinery, equipment, labor, fuel and power necessary to farm the Premises properly.
- 6.3 Pay for the hauling to the Premises of all material for making repairs and minor improvements, and the performing of labor required for such repairing and improving.
- 6.4 Pay for all seed, herbicides and fertilizers used on the Premises.
- 6.5 Lessee shall be solely responsible for all employer obligations on hired labor with respect to salary, income tax, safety requirements, and social security and workers' compensation contributions, and Lessor shall have no responsibility therefore.
- 6.6 Cultivate the tillable acreage faithfully and in a timely, thorough and businesslike manner.
- 6.7 Prevent all unnecessary waste, or loss, or damage to the property of the Lessor.
- 6.8 Comply with pollution control and environmental protection requirements, and to implement soil erosion control practices that comply with the soil loss standards mandated by the State of Illinois.
- 6.9 Prevent noxious weeds from growing on the Premises and to destroy the same and keep the grass cut.
- 6.10 Keep open ditches, tile drains, tile outlets, grass waterways and terraces in good repair.
- 6.11 Preserve established watercourses or ditches and refrain from any operation that will harm them.
- 6.12 Take proper care of all trees, shrubs and vines, and prevent harm to same.
- 6.13 Keep the Premises neat and orderly.
- 6.14 Use prudence and care in transporting, storing, handling and applying all fertilizers, pesticides, herbicides and other chemicals and similar substances, read and follow label instructions for the use of such material, comply with State pesticide training, licensing, storing and usage, and hire custom application of same consistent with this Lease from property licensed applications.
- 6.15 Any chemicals for weed or insect control when used should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved.
- 6.16 Practice fire prevention and follow safety rules.

7. Restrictions on Lessee's Activities

Lessee shall not, unless the written consent of Lessor has been obtained, do any of the following during the term of the Lease.

- 7.1 Erect or permit to be erected any structure or building on the Premises, or to incur any expense to Lessor for such purposes.
- 7.2 Permit, encourage or invite other persons to use any part or all of the Premises for any purpose or activity.
- 7.3 Store chemicals on the premises or incinerate or otherwise dispose of chemicals, chemical containers or other refuse on the Premises.
- 7.4 Plow permanent pasture or meadowland or disturb timber ground.
- 7.5 Allow any livestock on any tillable land.
- 7.6 Burn or remove cornstalks, straw or other crop residues grown upon the Premises, unless crop residue is replaced by the proper amount of fertilizer.
- 7.7 Cut live trees on the Premises for any purpose.
- 7.8 Erect or permit to be erected any commercial advertising or political signs on the Premises.
- 7.9 Plant, cultivate or harvest any winter crops.

8. Premises Management Practices

- 8.1 The Premises shall be used to grow only corn, soybeans or wheat unless Lessor agrees in writing otherwise.
- 8.2 Lessee affirms the goals of minimizing soil erosion losses and preserving the productivity of the land in ways that are consonant with Lessee's needs and desires for acceptable current returns. To these ends, Lessee agrees to implement as far as possible, the best management practices recommended by the Soil Conservation Service and to cooperate with that agency's soil and water conservation programs.
- 8.3 Lessee shall provide Lessor with a written report by November 15th of each year the Lease is in effect indicating the product name, amount, date of application and location of application for all pesticides, fertilizers and seed used on the Premises, and shall provide Lessor with a copy of Lessee's applicator's license and/or the license of any custom applicator.

8.4 Lessee hereby agrees to indemnify, defend and hold Lessor, its officers, employees and agents, harmless against any loss, damage or claim arising out of or resulting from Lessee's activities on the Premises.

9. Default, Possession, Lessor's Lien, and Right of Entry, Mineral Rights, and Liability

9.1 If Lessee fails to substantially carry out the terms of this Lease in due and proper time, the Lease may be terminated by Lessor by serving a written notice citing the instance(s) of default and specifying a termination date of at least ten (10) days from the date of such notice. Lessor shall be entitled to all remedies available at law, including injunctive relief, and shall receive as damages in any action sought to enforce its rights, its reasonable attorneys fees and costs.

9.2 Lessee agrees that at the expiration or termination of this Lease to yield possession of the Premises to Lessor without further demand or notice, in as good order and condition as when it was entered upon by the Lessee, loss by fire, flood, tornado and ordinary wear excepted. If Lessee fails to yield possession, Lessee shall pay to Lessor a rental fee of One Thousand Dollars (\$1,000) per day for each day Lessee remains in possession thereafter, in addition to any damages caused by Lessee to Lessor's land or improvement(s) and said payments shall not entitle Lessee to any interest of any kind or character in or on the premises.

9.3 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 Lease. Lessee shall provide Lessor with the names of persons to whom Lessee intends to sell crops grown on the Premises at least thirty (30) days prior to the sale of such crops. A lesser period may be allowed by mutual written agreement. If the Lessee fails to pay the rent due or fails to perform any of its obligations under this Lease, all costs and attorney fees of Lessor in enforcing collection or performance shall be added to and become a part of the obligations payable by Lessee.

9.4 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 thereto, to develop mineral resources as provided in paragraph 9.5 below, or, unless written notice has been given that the Lease will be extended, and following severance of crops, to plow and prepare a seed bed, make seedlings, glean corn, apply fertilizers, and any other operation necessary to good farming by the succeeding operator, provided those operations do not interfere with Lessee carrying out regular farming operations.

9.5 Nothing in this Lease shall confer upon Lessee any right to minerals underlying the Premises. Such mineral rights are hereby reserved by Lessor, together with the full right to enter upon the Premises 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, tanks, pipelines, power lines, or any structure(s) as may be necessary or convenient for the above purpose. Lessor agrees to reimburse Lessee for any damage Lessee may suffer for crops destroyed by these activities and to release Lessee from any obligation to continue farming the Premises when development of mineral resources interferes materially with Lessee's opportunity to make a satisfactory return.

9.6 Lessee takes possession of the Premises subject to the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, agents, visitors or trespassers in pursuance of farming operations, or in performing repairs of fences, tile and other improvements. Lessor shall have no liability in connection with the foregoing.

10. Miscellaneous

10.1 Lessee may not assign this Lease to any person, corporation or entity or sublet any part of the Premises.

10.2 The terms of this Lease shall be binding on the successors, heirs, executors, administrators and assigns, as the case may be, of Lessor and Lessee in like manner as upon the original parties.

10.3 This Lease shall be governed by the laws of the state of Illinois. Any action to enforce the Lease shall have venue solely in McHenry County, Illinois.

10.4 The foregoing constitutes the entire agreement between Lessor and Lessee. There are no other arrangements with respect to the subject of this Lease except as set forth herein. This Lease may be modified or amended only by a writing signed by Lessor and Lessee.

10.5 Whenever notice or delivery of information is required to be given under this Lease, the same shall be made by certified mail, return receipt requested, or FedEx, UPS or other similar courier service with receipted delivery.

Whenever any such notice or information is given to Lessor, it shall be delivered to:

Annie Mulvaney
Johnsburg Community Unit
School District No. 12
2222 W. Church St.
Johnsburg, IL 60051
(815) 385-6916

Whenever any such notice or information is given to Lessee, it shall be delivered to:

Agreed to by Lessor and Lessee, and signed on _____ .

Lessor:

By: _____
Board President

Attest:

Board Secretary

Lessee:

Company: _____

Name: _____

Address: _____

Lessee Signature