

CITY OF GALESBURG

REQUEST FOR PROPOSAL CASH FARM LEASE

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Prepared by:

**City of Galesburg
55 W. Tompkins Street
Galesburg, IL 61401**

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REQUEST FOR PROPOSAL SUMMARY - CITY FARM LEASE

Proposer's Name: _____

Address: _____

City, State, Zip: _____

Phone/Fax/Email: _____ / _____ / _____

REQUEST FOR PROPOSAL

PROPOSAL DUE DATE: October 11, 2013 - Friday

PROPOSAL DUE TIME: 11:00 a.m.

NOTE: Proposer must submit the following:

- 1) **Cover letter**, stating your interest in farming 170.5 acres along with any exceptions to the language contained in the sample lease in Exhibit 1.
- 2) **Application to Rent City of Galesburg Illinois Farm Property (Attachment 1)** - only one application is required for the entire 170.5 acres.
- 3) **Offer of Fixed Cash Rent Proposal (Attachment 2)** - must be completed and will serve as basis of lease agreement)
- 4) **A letter of qualification** from banker or accountant indicating farmer has financial capacity to farm the property.
- 5) **Resume** containing additional information is optional.

Failure to provide all of the required information and completed forms could result in the Proposer's response being considered non-responsive to this solicitation.

Technical questions regarding this RFP's specifications should be directed to:

Cesar Suarez (309)345-3680 – csuarez@ci.galesburg.il.us

Questions regarding general
proposal procedures should be
directed to:

Kraig Boynton
(309) 345-3678
kboynton@ci.galesburg.il.us

Send or deliver Proposal to:

City of Galesburg
Purchasing Division
55 W. Tompkins Street
Galesburg, IL 61401

RFP SUMMARY - CITY FARM LEASE

Overview

The City of Galesburg owns 170.5 acres of farmland which supports the City's objective in preparing land for future industrial development. Earnings generated by the farmland are used to support bond payments that purchased the property in 2004.

Management of the farms is assigned to the Economic Development Department and is administered through the Economic Development Director.

The land has been farmed by local farmers since the City took ownership in 2004. The City policy is focused on achieving optimal net income while pursuing environmental sustainability and positive local community relations.

Request for Proposals [RFP]

As part of this process, this REP offers a farm property for cash lease, beginning with the 2014 crop year. An example of the Cash Lease is attached to this document as Exhibit 1.

A more detailed description of the farm property is included in Exhibit 2. A total of 3 farms totaling 170.5 acres are adjacent to each other. Exhibit 2 contains specific information for each farm including soil type maps along with an aerial photo of the farm property.

The Respondent is encouraged to view the farm property. Public road access is available to each farm. Onsite inspections and entry on farm property will be allowed upon request.

This cash farm property lease initiative has no rigid categorical prohibitions or exclusions for specific crop. Specific restrictions or requirements with respect to the use, maintenance, operation and management of farmland are provided in the sample lease agreement in Exhibit 1.

This RFP is open to all interested parties on a competitive basis. Each Respondent will need to complete and submit an Application to Rent City of Galesburg Illinois Farm Property, which is incorporated as Attachment 1 in this RFP. Respondents' Cash Rent Offer must be indicated in Attachment 2.

Description of Individual Farming Units

Properties are usually referred to by the name assigned to the property by the City. The approximate acreage, soil type, FSA base acres, any buildings or improvements, yields, and additional information are provided for each farm property in Exhibit 2. All other information such as fertility and drainage information and historic yield data will not be available on the farm property.

Duration & Transferability of Leases

The term of each lease will be a one year lease with two annual extensions. The City is not responsible for any forward contracts for commodity sales entered into by the Lessee.

No transfer or sublet of the right to occupy and operate a farm property is allowed unless the City approves such transfer or sublet. Such approval will be assessed upon consideration of whether such transfer or sublet will be to the benefit of the City. It will also be contingent upon the lessee and transferee satisfactorily demonstrating that such a change will result in equal or superior operation of the farm property and no economic harm will be done to the City.

If a Lessee becomes unable to fulfill the obligations of his or her lease, for whatever reason, the Lessee (or lessee's agent) must transfer or sublet the remaining leasehold interest as described above, or relinquish the remaining interest directly back to the City.

RFP SUMMARY - CITY FARM LEASE

Fair Market Value Rent

A major financial goal of this farm property RFP will be to establish leases that are consistent with fair market cash rent. Respondents will offer one fixed annual proposal for the entire 170.5 acres for which a cash rent offer is being submitted using Attachment 2. The same annual cash rent will be applied to each of two annual extensions on the lease.

Number of Copies, Method of Transmittal

One original and two copies of the Respondent's RFP proposal must be enclosed in a sealed envelope and received at the City of Galesburg Purchasing Division office address indicated on the RFP cover page, no later than 11:00 a.m. local time, on Friday, October 11, 2013. In order to receive full consideration, respondents should provide all of the requested information. The detail provided will be vital in evaluating the ability of the Respondent to fulfill the management objectives required by the City. The face of the sealed envelope(s) shall show the Respondent's name, address, and the receiver's address as shown below:

City of Galesburg
Purchasing Division
55 W. Tompkins Street
Galesburg, IL 51401

Proposals submitted by telephone, faxes, e-mail, and other means of transmittal will not be considered. Proposals received after 11:00 a.m. local time, on Friday, October 11, 2013 will not be considered. Please note that proposals will not be returned to a Respondent and will be retained by the City.

Inquiries and Explanations

Any explanation desired by a Respondent regarding the meaning or interpretation of the RFP must be submitted in writing. While replies will be issued in a timely manner, Respondents should make inquiries well in advance of proposal deadline to ensure the desired information is received to complete proposal on time. The City offers no guarantee and assumes no responsibility for any replies that may be delayed for reasons beyond the City's control and will not accept such claim as a basis for late submittal of a proposal by a Respondent, oral explanations or interpretations of RFP subject matter or intent given in reply to Respondent inquiries will not be binding.

Late Proposals, Modifications, and Withdrawals

Proposals received after 11:00 a.m. local time, on Friday, October 11, 2013 will not be considered.

Acceptance of Proposals and Issuance of Lease/s

The City reserves the right to reject any or all proposals and to waive information and minor irregularities in proposals received. Final acceptance of any proposal will be conditional upon satisfactory execution of a lease, and upon the lease's approval by the City Manager. Acceptance of a proposal will not impart any rights to a Respondent including, and without limitation, rights of enforcement, equity, or reimbursement, until the lease and all related documents are approved and executed.

Proposal Evaluation

Proposals will be evaluated by the City staff. The evaluation process will rely on the requested information provided on the following pages and elsewhere in this RFP. Consequently, it is expected that successful proposals will demonstrate a thoughtful and thorough response to the entire set of questions and requests for information addressed in the RFP. Please note that Respondents' cash rent offer amounts will be the dominant criterion, although not the only factor, considered in reaching a recommendation.

RFP SUMMARY - CITY FARM LEASE

The City will utilize a two-stage process to evaluate all proposals received in response to this RFP and may request best and final offers in the event that it is deemed in the best interests of the City for making a final selection on the award of a farm property lease. All awards will be contingent on the execution of a lease agreeable to both the Respondent and the City.

The **first stage** of the process will consist of a review of all proposals received by the due date and time and will evaluate the following items:

- 1) Is the response complete, including providing all necessary information and answers to any required questions?
- 2) Is the cash rent offered in the top range of all offers received?

Proposals determined to be deficient in any of the above areas of consideration will be eliminated from further review.

During the **second stage** of the evaluation process, an assessment will be made of the remaining responses for each farm property and the responses will be scored based on a weighted matrix of evaluation criteria. The criteria will include:

- 1) Is the response consistent with the intended operation of the farm property as an ongoing and functional agricultural endeavor?
- 2) Has the Respondent provided satisfactory descriptions of their farming experience and their soil stewardship/conservation practices?
- 3) Is the Respondent's farming base of operation in proximity of the farm property they are interested in?

Each question or request for information is important and failure of a Respondent to adequately or completely address any question or request for information could adversely affect the Respondent's evaluation score. If deemed necessary during this phase of the evaluation process, correspondence will be initiated with Respondents to request clarification or additional details on information provided in a Respondent's response to questions or informational items in the RFP such as additional financial information. This response clarification request cannot and will not be used to remedy or request information that was incomplete or omitted from a Respondent's response. Responses with critical or significant deficiencies will likely be eliminated in the first stage of the evaluation process. Following the receipt of any clarifications, each proposal will be scored and ranked using the evaluation criteria mentioned above.

After this second stage of the evaluation process is completed, the highest rated proposal will be identified. The Respondent offering the highest rated proposal will be notified of an offer to enter into a lease agreement with the City. If the successful Respondent and the City, for whatever reason, are unable to execute a lease agreeable to both parties, the City will then proceed to issue an offer to the next highest rated Respondent to work out a lease agreement for the farm property.

Sample City of Galesburg Cash Farm Lease - Exhibit 1

For the purpose of familiarizing Respondents with the format and content of the anticipated lease document, the enclosed Exhibit 1 reflects the terms and conditions that the City would expect to be addressed in any final lease document. Respondents are urged to carefully review the sample lease in Exhibit 1 noting the terms and information provided or required, especially on the following items: Lessor's and lessee's investment and expenses, lessee's duties in operating the farm property, management and business procedures, indemnification provision, and miscellaneous provisions including default. The termination clauses should also be carefully reviewed. Respondent should address its willingness to execute a lease consistent with Exhibit 1 as well as identify any and all exceptions taken to any of the provisions contained in the Exhibit I lease sample.

RFP SUMMARY - CITY FARM LEASE

Questions and Requested information

Respondents must reply to the numbered questions and information items posed below and provide any information requested in support of the Respondent's response. The Respondent's reply should be clear, accurate, and complete as possible. If additional sheets are required to respond to a question, or if attachments are required to address the requested information, the Respondent should clearly indicate the item number (1, 2, etc.) to which any attached sheets or pages apply. False statements and/or information are a basis for disqualifying any proposal or for voiding a lease if discovered at a later date. Respondents are urged to read the Sample City of Galesburg Cash Farm Lease - Exhibit 1 prior to responding to questions and information items below.

Provide and Return an original and two (2) copies of the following:

1. **Cover letter**, stating your interest in the farmland and listing any exceptions to the language contained in the sample lease in Exhibit 1.
2. **Application to Rent City of Galesburg Illinois Farm Property (Attachment 1)** - only one application is for the entire 170.5 acres of farmland.
3. **Offer for Fixed Cash Rent Proposal (Attachment 2)** - must be completed for one or more of the farm properties for which Respondent is making an offer)
4. **A letter of qualification** from banker or accountant indicating farmer has financial capacity to farm the property.
5. Resume containing additional information is optional (p/o of Attachment 1).

EXHIBIT 1

**CITY OF GALESBURG
CASH FARM LEASE AGREEMENT
SAMPLE**

Cash Rent Farm Lease Agreement

This lease is entered into on _____, between the Lessor(s) **The City of Galesburg**, whose mailing address is 55 W. Tompkins Street, Galesburg, IL 61401, and Lessees _____ whose mailing address is _____.

The parties to this lease agree to the following provisions.

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

- A. Description of Land.** The Land owner (Lessor) rents and leases to the Lessee (Lessee), to occupy and to use for agricultural purposes only, the following real estate located in the County of Knox and the State of Illinois, and described in Exhibit 1. The actual number of acres of the premises to be leased shall be reviewed annually, due to sale or development, at least four (4) months prior to the end of the current term., and defined in a letter to Lessee after annual review.
- B. Length of tenure.** The term of this lease shall be from _____, to _____ and the Lessee shall surrender possession at the end of this term or at the end of any extension thereof. This lease may be extended for a maximum of two (2) additional terms. All provisions of this lease, including the annual fixed cash rent set forth below shall be in full force and effect during any extension(s) of this lease. In order to exercise an option to extend this Lease for any additional term Lessee must provide Lessor with written notice of intent to do so at least four (4) months prior to the end of the current term.
- C. Amendments & Alterations.** Changes to this lease may be made in writing in the space provided in the form at the end of this lease at any time by mutual agreement of both parties. If the parties fail to agree on proposed alterations, the existing provisions of the lease shall control operations.

Section 2. Fixed Cash Rent

A. Lessee agrees to pay Land owner an annual fixed cash rent for the following farm tract/s as identified in Exhibit 1:

Area A	F994	T1990	94.4 acres of crop land at
Area B	F7226	T11903	36.5 acres of crop land at
Area C	F7443	T12011	39.6 acres of crop land at
TOTAL			170.5 acres of crop land at _____ per acre

ANNUAL CASH RENT of \$_____ per year

Upon signing this lease, Lessee shall pay 50% of annually cash rent, or \$_____ and the remaining 50% on **November 1st**. Upon the extension of this lease, Lessee shall pay cash rent in the following installments: 50% on **March 1st** and the remaining 50% on **November 1st**.

Cash Rent Farm Lease Agreement

- B.** If Lessee does not pay rent or additional rent for a period of ten (10) days from the day when the same shall have been due and payable, then Lessee, in addition to any other remedies available to Lessor, shall pay a service charge at the rate of one percent (1%) per month (or at the legal maximum in the jurisdiction in which the Premises are located, whichever is less) on any outstanding unpaid amount for each month or portion of a month that the same shall remain unpaid; provided, however, that such service charge shall, in no event, be less than \$25.00 for any month or portion thereof.

Section 3. Lessor's Investments and Expenses

The Landlord agrees to furnish the property and to pay the items of expense listed below:

- A.** The above-described farm, excluding any fixed improvements. However, all buildings and other fixed improvements present on the farm may be provided as a convenience in connection with the farming operations, and the Lessor has no obligation hereunder to maintain any building or improvement in a usable condition.
- B.** All repair and improvements, which include material and labor, on any buildings or improvements will be at the discretion of the Lessor except as agreed to in amendments to this lease.
- C.** Taxes on land, improvements, and personal property owned by the Lessor.

Section 4. Lessee's Investments and Expenses

The Lessee agrees to furnish the property and to pay the items of expense listed below:

- A.** All the machinery, equipment, labor, fuel, farm/farmstead utilities and power necessary to farm the premises properly.
- B.** All charges for light, heat, water, sewer, garbage, and all other utilities and services to the Premises during the term of this Lease.
- C.** All license fees and other governmental charges.
- D.** 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.
- E.** All seed, inoculation, disease-treatment materials, and fertilizers.
- F.** The soil pH will be maintained at 6.0 or higher. Lessee will apply limestone to the appropriate areas of the farm to maintain this pH level based on Lessor's recommendations. Lessee would need to have a certified crop specialist from a reputable fertilizer dealer or crop consulting firm draw soil samples from the property and have a certified lab test the samples. The lab or the crop specialist will interpret the pH readings as to the amount of limestone needed to bring the pH level up to above 6.0. Lessee is responsible for furnishing documentation that lime was applied according to recommendations.

Cash Rent Farm Lease Agreement

Section 5. Lessee's Duties in Operating Farm

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

A. Activities Required:

1. To cultivate the farm faithfully and in a timely, thorough, and businesslike manner.
2. To prevent noxious weeds (defined by Illinois) and other weeds from going to seed on said premises and to destroy the same and keep the weeds and grass cut.
3. To haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements.
4. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
5. To preserve established watercourses or ditches, to maintain a grass strip 8 feet to 10 feet wide along the edge of any such ditches or water courses, and to refrain from any operation that will injure them.
6. To keep the building, fences (including hedges), and other improvements in good repair and condition as they are when the Lessee 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.
7. To take proper care of all permanent planting such as trees, vines, and shrubs, and to prevent injury to the same.
8. To keep the farmstead neat and orderly and to remove from the farm or farmstead any garbage or refuse generated and any items that are not involved in the current farming operation at the request of the Lessor.
9. To prevent all unnecessary waste, or loss, or damage to the property of the Lessor.
10. To comply with pollution control and environmental protection requirements and to implement soil erosion control practices to comply with the soil loss standards mandated by local, state, and federal agencies.
11. 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.
12. To apply chemicals for weed or insect control or other use, when used, at levels not to exceed the manufacturer's recommendation for the soil types involved.
13. To provide to the Lessor, annually, a written report indicating the product name, amount, date of application and location of application of all pesticides, and fertilizers used on the farm along with original invoices signed by the Lessee's chemical and fertilizer vendor. The amounts which appear on the invoices must correspond to the amounts on the written reports. Invoices/Receipts must be specific to the farm unit being identified in this lease.
14. To dispose of tractor, car, and truck batteries properly. No batteries will be stored on the farm for more than 4 months.
15. To dispose of used tires properly. No used tires will be stored on the farm for more than 4 months.

Cash Rent Farm Lease Agreement

16. 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.

B. Activities Restricted. The Lessee further agrees, unless the written consent of the Lessor has been obtained as an amendment to this lease:

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 and any local zoning and building regulations.)
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 store chemicals on the property for more than one year. When chemicals or petroleum products are stored on the farm, they will be only those planned to be used on the farm and they will be in closed, tight containers above ground and clearly marked. No chemicals or chemical containers will be disposed of on the property.
11. Not permit the existence of any nuisance on the Premises and keep the same free of any explosive, flammable or combustible material which would increase the risk of fire, except such material necessary to Lessee's or any permitted sub-Lessee's business.
12. Not handle or store any dangerous or potentially dangers materials or any hazardous or toxic materials, as defined under state or federal laws.
13. 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:
14. 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.

Section 6. Management and Business Procedures

The Lessor and Lessee agree that they will observe the following provisions:

A. General Cropping System. Except when mutually decided otherwise, the land use and cropping shall be 170.5 acres for rotated crops.

Cash Rent Farm Lease Agreement

B. Insurance. For the term of the lease, Lessee shall maintain insurance with a carrier acceptable to the Lessor, insuring Lessee while performing on these premises hereunder for the following types and in stated minimum amounts:

Liability Insurance:	\$250,000 per person \$500,000 per occurrence
Property Damage:	\$500,000 per occurrence
Workers Compensation	As required by State Statute

Lessee shall furnish Landlord with a Certificate of Insurance and give notice of termination of coverage. Lessee agrees that all applicable insurance policies name the Landlord as an additional insured and to receive notice of termination of coverage.

C. Fertility Records. The Lessee agrees to keep records of farm fertility and to furnish an annual report to the Lessor, to include application or fertilizer, limestone, and pesticides on such forms as the Lessor may provide, on or before December 31st.

D. End of lease reimbursements. At the end of this lease, the Lessor agrees to reimburse the Lessee:

1. For the Lessee's remaining cost in limestone. The Lessee's remaining cost shall be calculated by depreciating the Lessee's net cost at the rate of 25% (percent) annually.
2. For the Lessee's cost of soluble phosphate (P₂O₂) and potash (K₂O) fertilizers applied on crops harvested for grain in the last year of this lease minus the amount of these plant food elements, valued at the same rates, contained in the Lessee's share of these crops.

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 Lessee 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 Lessee 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. Lessee responsible for hired labor. The Lessee 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.

H. Condition of Premises. It is understood that Lessee has inspected the Premises and takes them "AS IS." Lessor is not obligated by this Lease to make any changes, removals, or repairs of any kind.

Cash Rent Farm Lease Agreement

Section 7. Termination, Default, Possession, Landlord's Lien, Right of Entry, Mineral Rights, Liability, Extent of Agreement

The Lessor and Lessee agree to the following provisions.

A. Termination. Termination of lease may be made by Event of Default or At Will by Lessor.

1. Termination by "Event of Default" - As to any Event of Default by either party, the lease may be terminated by the other party by serving a written notice citing the Events (s) of default and specifying a termination date of ten (10) days from the date of such notice. Settlement shall then be made in accordance with the reimbursement agreements of Section 6.D., and any amendments to this lease.
2. Termination "At Will" by Lessor - Lessor may cancel this Lease or may terminate it with respect to all or a portion of the Premises by providing ten (10) days advance written notice to Lessee. In the event that Lessor terminates this Lease with respect to all or a part of the Premises prior to harvest, Lessor will compensate Lessee by refunding to Lessee the pro-rata share of rent paid for acreage subject to termination. If termination occurs before planting, Lessor will reimburse Lessee's pro-rata share of out-of-pocket costs for applications and tillage. If termination occurs after planting but prior to harvest, Lessor will pay to Lessee the pro-rata share of sum subject to termination. In the event that termination occurs after harvest, Lessee will not be entitled to any rebate of rent or reimbursement of expense under the terms of this section, other than the settlement in accordance with the reimbursement agreements of Section 6.D., and any amendments to this lease.

B. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this lease:

1. Failure of either party to carry out substantially the terms of this lease in due and proper time.
2. Either party (i) becomes insolvent; or (li) is unable to, or admits in writing its inability to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) have a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise become the subject of any insolvency proceedings or propose or enter into any formal or: informal composition or arrangement with its creditors.
3. Failure of Lessee to pay the cash rent when due under Section 2.A. of the lease.
4. Death of Lessee.

Cash Rent Farm Lease Agreement

- C. Yielding possession.** The Lessee 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 Lessee, loss by fire, flood, or tornado, and ordinary wear excepted. If the Lessee fails to yield possession, the Lessee shall pay to the Lessor a penalty of \$140.60 per day or the statutory double rent, whichever is less, for each day the Lessee remains in possession thereafter, in addition to any damages caused by the Lessee to the Lessor's land or improvements, and said payments shall not entitle the Lessee to any interest of any kind or character in or on the premises.
- D. Landlord's lien.** The Landlord's lien provided by statute on crops grown or growing, together with any other security agreement(s) created by Lessee in favor of Landlord, shall be the security for the rent herein specified and for the faithful performance of the terms of the lease. Lessee consents to any filing required by law to perfect the statutory landlord's lien upon crops. If the Lessee fails to pay the rent due or fails to keep any of the agreements of this lease, Lessee shall provide the Lessor with the names of persons to whom the Lessee has arranged to sell crops grown on these premises. Also 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 Lessee.
- E. Lessor'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 F 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 Lessee in carrying out the regular farming operations.
- F. Mineral rights.** Nothing in this lease shall confer upon the Lessee 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 Lessee for any actual damage the Lessee may suffer for crops destroyed by these activities and to release the Lessee from obligation to continue farming this property when development of mineral resources interferes materially with the Lessee's opportunity to make a satisfactory return.
- G. Lessor liability.** The Lessee 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.
- H. Indemnity.** Lessee shall indemnify, and hold Lessor and Lessor's affiliated companies, its or their officers, directors, employees, agents, and contractors, harmless against and from all claims (including without limitation, actions, demands, expense, costs, attorney's fees, court costs (and judgment) for death of or injury to persons whomsoever or loss or destruction of or damage to

Cash Rent Farm Lease Agreement

property whatsoever in any way arising out of or caused or contributed to by the Lessee's presence on or use of the Premises hereby leased, except when such claims are caused by the sole negligence of the Lessor or Lessor's affiliated companies, its or their officers, directors, employees, agents or contractors. The provisions of this Paragraph shall survive the termination of this Lease.

- I. Condemnation.** If all or any part of the Premises is subjected to taking under eminent domain laws, this Lease shall terminate from the time possession is taken by the condemning entity. Prepaid rentals will be prorated and the unearned rental returned to Lessee. Lessee agrees that it is not entitled to, and hereby disclaims, any award made for such taking, excepting only an award issued solely and expressly to compensate for the taking of personal property or buildings owned or constructed by Lessee.
- J. Costs and Attorneys' Fees.** If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, it becomes necessary to retain an attorney, or use retained counsel, and expend fees as a result of the other party's breach, then the breaching party agrees to pay all reasonable costs and attorneys' fees in connection therewith.
- K. Right of Re-entry.** Lessor reserves the right to re-enter the Premises at any time during this Lease without extinguishing the Lessee's obligation to pay rent.
- L. Notices.** Any notice, election or other correspondence required or permitted pursuant to this Lease shall be deemed to have been properly given when made in writing and effective when delivered personally to the party to whom directed, or when deposited in the United States mail, certified, with all necessary postage or charges fully prepaid, returned receipt requested and addressed to the party to whom directed at its address specified below:

As the Lessor: City of Galesburg
 Todd Thompson
 City Manager
 55 West Tompkins Street
 Galesburg, Illinois 61401

As to Lessee: _____

Either party hereto may change its address for the purpose of receiving notices or communications hereunder by furnishing notice thereof to the other party in compliance with this section.

- M. Severability.** Unless otherwise provided, or unless the context shall otherwise require, words importing the singular number shall include the plural number, words importing the masculine shall include the feminine gender, and vice versa. If any provisions of this Lease or any application hereof shall be found to be invalid or unenforceable, for any reason, the remainder of this Lease and any other application of such provision shall not be affected thereby.

Cash Rent Farm Lease Agreement

- N. Entire Agreement.** This Lease represents the entire Lease between the parties and supersedes all other agreement and representations made prior hereto. No amendment hereof shall be binding on either party unless and until approved in writing by both parties.
- O. Governing Law.** This Lease shall be governed and construed in accordance with the laws of the state of province where the Premises are located.
- P. Headings.** The heading of each section of this Lease is for convenience only and it shall not be deemed a construction of intent of any such section.
- Q. Binding Effect.** This Lease shall inure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns.
- R. Laws and Certifications.**
1. Anti-Bribery/Barred From Bidding Certification - Lessee certifies that it is not barred from being awarded a contract or subcontract with an agency of the State of Illinois under Article 50 Procurement Ethics and Disclosures of the Illinois Procurement Code. (30 JLCS 500/50-5)
 2. State Laws. This Lease is governed and interpreted in accordance with the laws of the State of Illinois.
 3. Equal Employment/Non-discrimination - Lessee agrees to comply with applicable provisions of the Illinois Human Rights Act, the Americans with Disabilities Act, Section 504 of the U.S.I Rehabilitation Act and the rules applicable to each.
 4. Liability - It is understood and agreed that neither party to this Lease will be legally liable for any negligence or wrongful act either of omission or commission chargeable to the other unless such liability is imposed by law and that this lease will not be construed as seeking either to enlarge or diminish any obligation or duty owed by one party against the other or against third parties.
 5. Waiver - The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition nor shall either party's consent to any breach of any term, covenant or condition be deemed to constitute or imply its consent to any breach of the same or other term, covenant or condition herein contained.

LESSOR:
City of Galesburg
Illinois

LESSEES:

Cash Rent Farm Lease Agreement

Section 8. Additional Agreements

See attached section entitled "Agreement Securing the Payment of Rent"

Signatures of parties to lease:

_____	_____
Land owner	Date
_____	_____
Agent	Date
_____	_____
Lessee	Date
_____	_____
Lessee	Date

Cash Rent Farm Lease Agreement

Agreement Securing the Payment of Rent

The Lessee hereby grants, for value received, to Lessor (The secured party) a security interest in the following described property (hereinafter called "the collateral"), and all additions and accessions thereto, and proceeds thereof.

This security interest is given to secure the payment of rent and the faithful performance of all of the Lessee's obligations under this lease, whether direct, absolute or contingent, now due or to become due and whether now existing or hereafter arising.

The collateral described by this security agreement is the following:

1. All of the crops--annual and perennial--including, but not limited to com, sweet com, soybeans, alfalfa, and wheat, which are growing or to be grown on the farm land as identified in Exhibit 1.

Lessee hereby warrants that he will provide the Lessor with a written list containing the names and addresses of parties to whom the collateral may be sold, and the names and addresses of any commission merchants through whom the collateral is or may be sold in the "Event of a Default" be Lessee. Lessee will not sell collateral to or through any party, unless approved by the Lessor after seven days written notice is provided the Lessor.

Signatures of parties to lease:

_____	_____
Land owner	Date
_____	_____
Agent	Date
_____	_____
Lessee	Date
_____	_____
Lessee	Date

Cash Rent Farm Lease Agreement

Amendments to the Lease

- A. Improvements referenced in Section 3.B. made by the Lessee at the Lessee's own expense. When the Lessor and Lessee agree that the Lessee may make all or part of an improvement (such as buildings, additions to buildings, major repairs, fences, bathrooms, water systems, etc.) to the farm at the Lessee's own expense and that the Lessee is to be reimbursed for any costs remaining at the end of the lease, the necessary information shall be recorded in one of the following blanks and, after being duly signed by both parties, it shall become a part of the lease above and obligate the Lessor and his or her heirs and assigns to make such reimbursement. Such improvements become the Lessor's property upon completion of the form below. The Lessor thereby assumes the responsibility for property taxes, insurance coverage, and risk of loss.

Description and location of the improvement		Lessee's net cost		Annual rate of depreciation (percent)		Date depreciation begins		Signatures and Date Signed
1.								Lessor:
								Lessee:
2.								Lessor:
								Lessee:
3.								Lessor:
								Lessee:

- B. Lessor's written consent of Lessee not to abide by the restrictions in Section 5.B.

1. Item: _____. Description and restrictions: _____

Date: _____. Lessor's Signature: _____

2. Item: _____. Description and restrictions: _____

Date: _____. Lessor's Signature: _____

- C. Other amendments: To be dated, signed and attached to both Land owner's and Lessee's copies of the lease.

1. _____ . _____ . _____ .

2. _____ . _____ . _____ .

LESSOR:
City of Galesburg
Illinois

LESSEES:

Cash Rent Farm Lease Agreement

Amendments to the Lease (continued)

D. Lease Extensions

Lease Extension #1	Lease Extension #2
This lease, originally dated _____, 20____, shall be extended...	This lease, originally dated _____, 20____, shall be extended...
From _____, 20____, ,	From _____, 20____, ,
To _____, 20____. .	To _____, 20____. .
Signed: _____, 20____. .	Signed: _____, 20____. .
 _____ Lessor	 _____ Lessor
 _____ Lessee	 _____ Lessee
 _____ Lessee	 _____ Lessee

EXHIBIT 2

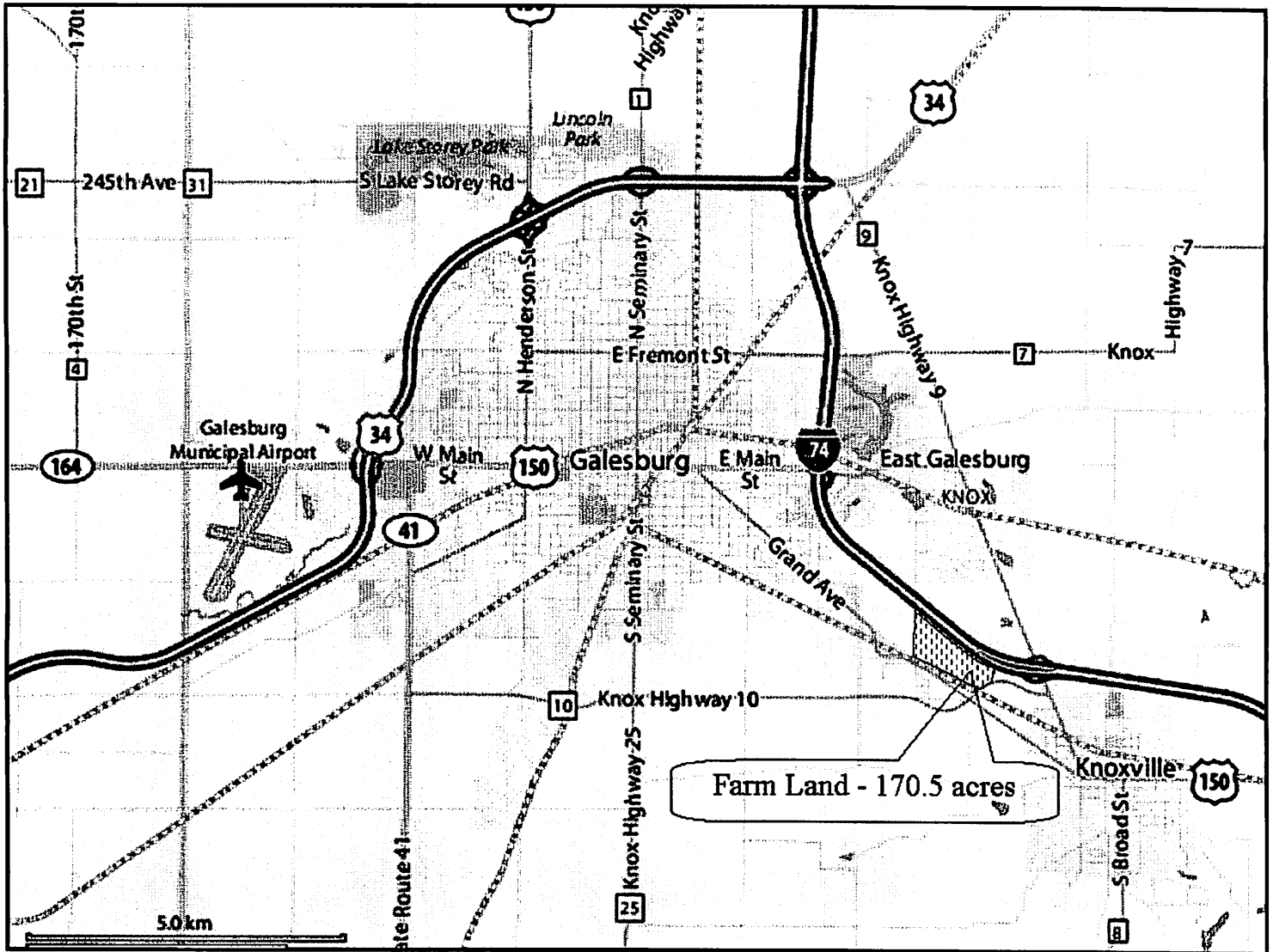
CITY OF GALESBURG

FARMLAND DESCRIPTION

CONTENTS

Farm Location Map
Farm Aerial Map
Exhibit 2A - Pages 1 to 4
Exhibit 2B - Pages 1 to 4
Exhibit 2C - Pages 1 to 4

CITY OF GALESBURG FARM LOCATION MAP



Location of Farm Land

- | | |
|---|--------|
| 1. While on I-74, Take exit 51 toward Knoxville (South) on Knox Hwy 9 | 0.4 mi |
| 2. Turn right (West) at Knox Hwy 10/Knox Rd 1400 N Continue to follow Knox Hwy 10 | 0.8 mi |
| 3. Turn right (West) at US-150 Farm land will be on the right | 0.6 mi |

EXHIBIT 2

CITY OF GALESBURG FARM AERIAL MAP



EXHIBIT	FARM TRACT	ACRES	PROPERTY TAX #
2-A	F994 T1990	94.4 acres of crop land	9019401002
2-B	F7226 T11903	36.5 acres of crop land	9019200005
2-C	F7443 T12011	39.6 acres of crop land	9020300013
TOTAL		170.5 acres	

CITY OF GALESBURG

FARM LAND DESCRIPTION

F994 T1990

Soils Map

Date: 10/9/2008

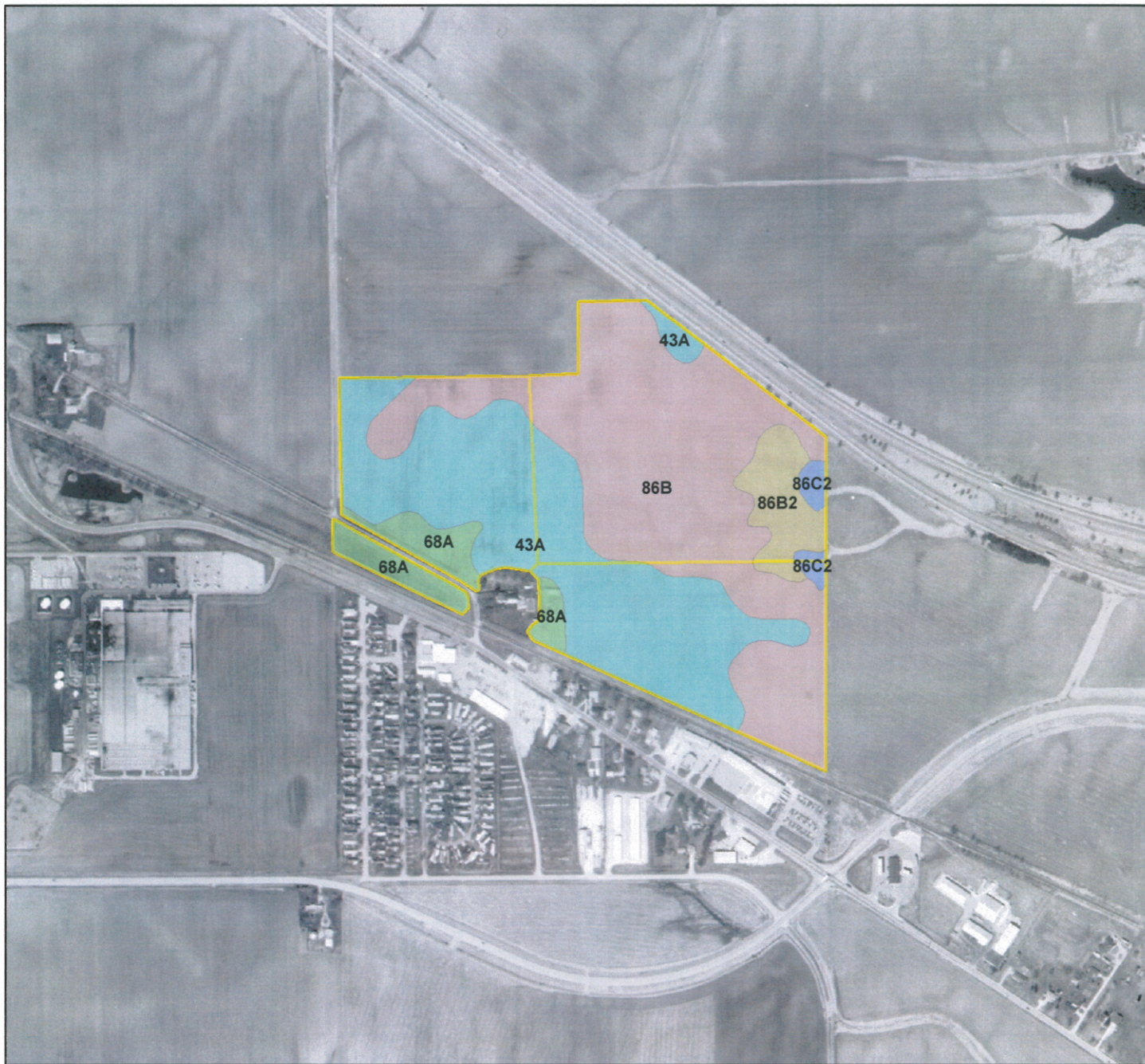
District: KNOX COUNTY SOIL & WATER CONSERVATION DISTRICT

Field Office: GALESBURG SERVICE CENTER

Agency: NRCS

Assisted By: Downin, Kara S

Legal Description: F 994 T1990



Legend

T1990 Soils Map

MUSYM

-  43A
-  68A
-  86B
-  86B2
-  86C2
-  Consplan



430 0 430 860 1,290 1,720 Feet



Soils Inventory Report

BARRY BROWN

Tract	Land Unit	Map Unit Symbol	Acres	Percent
1990		86C2	1.4	1%
1990		86B2	5.6	6%
1990		68A	6.6	7%
1990		43A	37.1	39%
1990		86B	44.7	47%
Total:			95.4	

Illinois
Knox
Report ID: FSA-156EZ

U.S. Department of Agriculture
Farm Service Agency
Abbreviated 156 Farm Record

FARM: 994
Prepared: 10/8/08 2:48 PM
Crop Year: 2009
Page: 1 of 1

Operator Name and Last 4

BARRY BROWN - 7656

Farm Description

ERNEST AND FAYE WEDELL

Recon Number

Farms Associated with Operator:

51, 286, 1043, 1468, 2321, 4423, 4556, 6549, 6844, 6944, 7391

Other Producers Associated with Farm:

None

CRP Contract Number(s): None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP	Farm Status
96.0	95.4	95.4	0.0	0.0	0.0	0.0	Active
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL		FAV/WR History
0.0	0.0	95.4	0.0	0.0	0.0		N

Crop	Base Acreage	CRP Reduction	CRP Pending	Direct Yield	CC Yield	CCC-505 CRP Reduction
CORN	47.2	0.0	0.0	134	159	0.0
SOYBEANS	47.2	0.0	0.0	42	50	0.0
Total Base Acres:	94.4					

Tract Number: 1990 **Identifier** D9-4 Sec 19 T11N-R2E Knox

BIA Range Unit Number:

FAV/WR History
N

HEL Status: Classified as not HEL

Wetland Status: Tract does not contain a wetland

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
96.0	95.4	95.4	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL	
0.0	0.0	95.4	0.0	0.0	0.0	

Crop	Base Acreage	Direct Yield	CC Yield	CRP Reduction	CRP Pending	CRP Yield	CCC-505 CRP Reduction
CORN	47.2	134	159	0.0	0.0	0	0.0
SOYBEANS	47.2	42	50	0.0	0.0	0	0.0
Total Base Acres:	94.4						

Owners: CITY OF GALESBURG

CITY OF GALESBURG

FARM LAND DESCRIPTION

F7226 T11903

Soils Map

Date: 10/9/2008

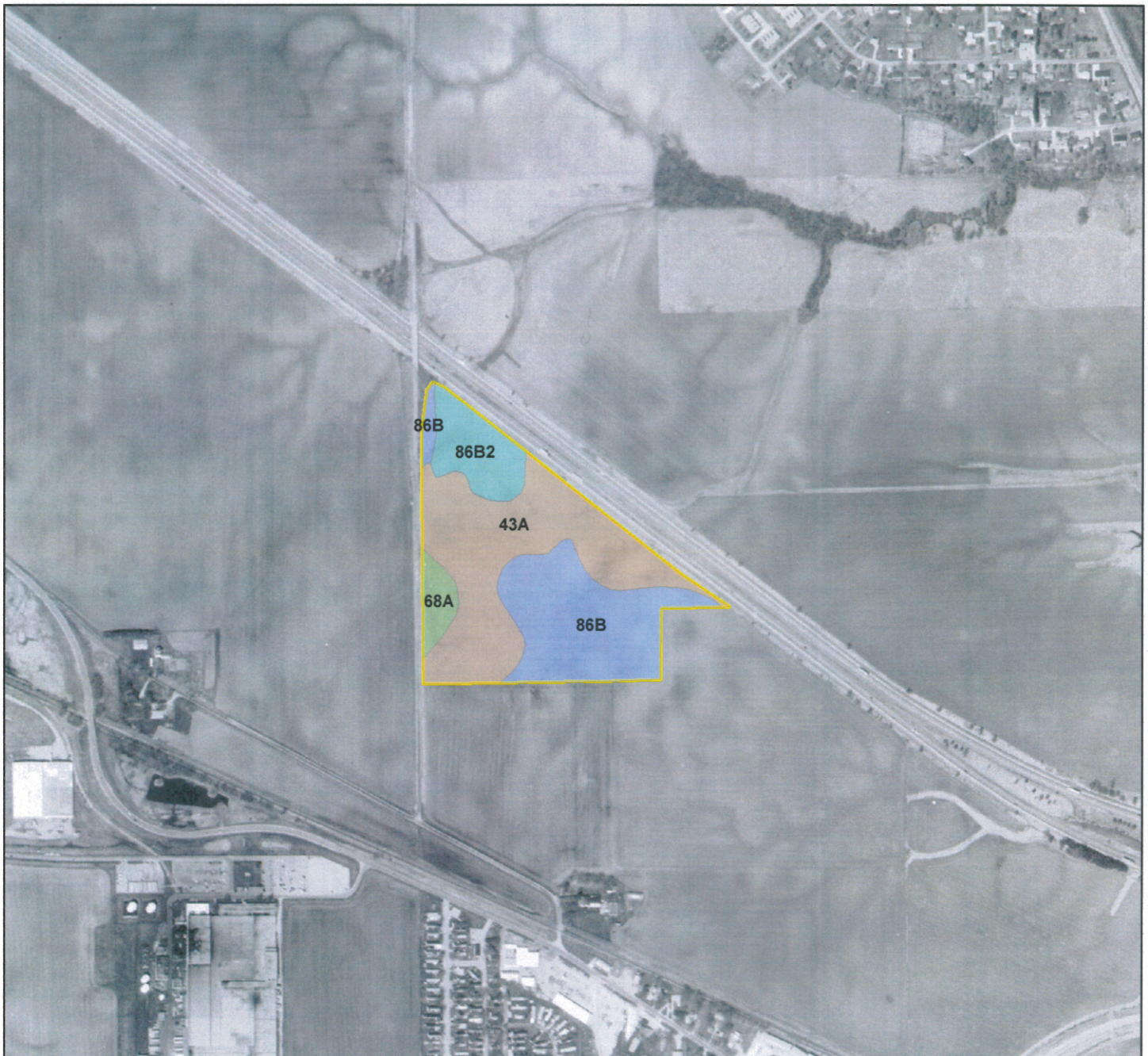
District: KNOX COUNTY SOIL & WATER CONSERVATION DISTRICT

Field Office: GALESBURG SERVICE CENTER

Agency: NRCS

Assisted By: Downin, Kara S







Legal Description: F7226 T11903

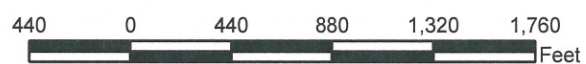


Legend

T11903A Soils Map

MUSYM

-  43A
-  68A
-  86B
-  86B2
-  T11903 Soils Map
-  HUMPHREYS_R_LANCE-----7226-Consplan



Soils Inventory Report

R LANCE HUMPHREYS

Tract	Land Unit	Map Unit Symbol	Acres	Percent
11903	11	68A	1.7	5%
11903	11	86B2	4.5	12%
11903	11	86B	12.7	35%
11903	11	43A	17.4	48%
Total:			36.3	

Illinois
Knox
Report ID: FSA-156EZ

U.S. Department of Agriculture
Farm Service Agency
Abbreviated 156 Farm Record

FARM: 7226
Prepared: 10/8/08 2:48 PM
Crop Year: 2009
Page: 1 of 1

Operator Name and Last 4 R LANCE HUMPHREYS - 7075	Farm Description KCDC	Recon Number
---	---------------------------------	---------------------

Farms Associated with Operator:
5935, 6534, 7000, 7227, 8038

Other Producers Associated with Farm:
ROBERT D HUMPHREYS STEVEN RAMP

CRP Contract Number(s): None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP	Farm Status
37.0	36.4	36.4	0.0	0.0	0.0	0.0	Active
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL		FAV/WR History
0.0	0.0	36.4	0.0	0.0	0.0		N

Crop	Base Acreage	CRP Reduction	CRP Pending	Direct Yield	CC Yield	CCC-505 CRP Reduction
CORN	23.4	0.0	0.0	140	140	0.0
SOYBEANS	13.0	0.0	0.0	41	41	0.0
Total Base Acres:	36.4					

Tract Number: 11903 **Identifier** D9-C Sec 18,19,20,T11N-R2E Knox

BIA Range Unit Number:

FAV/WR History
N

HEL Status: HEL: conservation system is being actively applied

Wetland Status: Tract does not contain a wetland

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
37.0	36.4	36.4	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL	
0.0	0.0	36.4	0.0	0.0	0.0	

Crop	Base Acreage	Direct Yield	CC Yield	CRP Reduction	CRP Pending	CRP Yield	CCC-505 CRP Reduction
CORN	23.4	140	140	0.0	0.0	0	0.0
SOYBEANS	13.0	41	41	0.0	0.0	0	0.0
Total Base Acres:	36.4						

Owners: CITY OF GALESBURG

CITY OF GALESBURG

FARM LAND DESCRIPTION

F7443 T12011

Soils Map

Date: 10/9/2008

District: KNOX COUNTY SOIL & WATER CONSERVATION DISTRICT

Field Office: GALESBURG SERVICE CENTER

Agency: NRCS

Assisted By: Downin, Kara S

Legal Description: F7443 T12011



Legend

Consplan

T12011A Soils Map

<all other values>

MUSYM

259C2

259D2

567C2

86B

86B2

86C2



430 0 430 860 1,290 1,720 Feet



Soils Inventory Report

JOHN INNESS

Tract	Land Unit	Map Unit Symbol	Acres	Percent
12011		86B2	0	0%
12011		259D2	0.2	12%
12011		567C2	0.3	18%
12011		86C2	0.4	24%
12011		259C2	0.8	47%
Total:			1.7	
12011	1	259D2	0.4	1%
12011	1	259C2	2.1	6%
12011	1	86C2	3	8%
12011	1	86B2	3.8	10%
12011	1	567C2	6	16%
12011	1	86B	22.6	60%
Total:			37.9	

Illinois
Knox
Report ID: FSA-156EZ

U.S. Department of Agriculture
Farm Service Agency
Abbreviated 156 Farm Record

FARM: 7443
Prepared: 10/8/08 2:49 PM
Crop Year: 2009
Page: 1 of 1

Operator Name and Last 4	Farm Description	Recon Number
JOHN INNESS - 2529	CITY OF GALESBURG	

Farms Associated with Operator:

3295, 4368, 4374, 4754, 5496, 5497, 5897, 5898, 5952, 6020, 6789, 6953, 6993, 6994, 6996, 7444, 7484, 7485, 7612, 8005, 8246, 8259, 8260

Other Producers Associated with Farm:

None

CRP Contract Number(s): None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP	Farm Status
40.0	37.9	37.9	0.0	0.0	0.0	0.0	Active
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL		FAV/WR History
0.0	0.0	37.9	0.0	0.0	0.0		N

Crop	Base Acreage	CRP Reduction	CRP Pending	Direct Yield	CC Yield	CCC-505 CRP Reduction
CORN	26.1	0.0	0.0	137	137	0.0
SOYBEANS	11.3	0.0	0.0	44	44	0.0
Total Base Acres:	37.4					

Tract Number: 12011 **Identifier** D9-6 Sec 20 T11N-R2E Knox

BIA Range Unit Number:

HEL Status: Classified as not HEL

Wetland Status: Tract does not contain a wetland

WL Violations: None

FAV/WR History
N

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
40.0	37.9	37.9	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	NAP	CRP MPL	
0.0	0.0	37.9	0.0	0.0	0.0	

Crop	Base Acreage	Direct Yield	CC Yield	CRP Reduction	CRP Pending	CRP Yield	CCC-505 CRP Reduction
CORN	26.1	137	137	0.0	0.0	0	0.0
SOYBEANS	11.3	44	44	0.0	0.0	0	0.0
Total Base Acres:	37.4						

Owners: CITY OF GALESBURG

ATTACHMENTS

CITY OF GALESBURG FARMLAND PROPOSAL APPLICATION & OFFER FORMS

CONTENTS

Attachment 1 - Application

Attachment 2 - Offer

**Attachment 1 - Application
To Rent City of Galesburg Illinois Farm Property**

Name: _____ Date: _____

Address: _____ Phone: _____

City/State/Zip: _____ email: _____

Are you actively engaged in farming at the present time? Yes ____ No ____,
If yes complete below:

1) Acres owned _____ Acres Crop Share Rented _____ Acres Cash Rented _____

2) Total acres farmed this year: _____

3) Acres of crops grown this year: Corn _____ Soybeans _____ Other _____

4) Number of years as a farm operator: _____

5) Number of years on present farm: _____

6) Reason for applying for additional farmland: _____

7) Have you ever worked with a farm manager before? ____ If yes, who?

8) How many years have you participated in the Federal Farm Program? _____

9) Give the location of your farming operation base:

Attachment 1 (continued)
Application to Rent City of Galesburg Illinois Farm Property

- 10) Describe your experience farming land similar to each specific farm property for which you are making a cash rent offer.

- 11) Describe your current farming operation:

- 12) Briefly provide an overview of your business plan for operating farm property.

- 13) Provide a summary of your educational background:

- 14) Describe any additional agricultural experience or training you have (ag-related employment, FFA, etc.)

- 15) Please provide references as requested on the next page.

Attachment 1 (continued)
Application to Rent City of Galesburg Illinois Farm Property
REFERENCES

Please give the name, address, and phone number of the following references. If for any reason you do not wish for us to contact any of the references, please make a notation in the margin.

1) The owner of a farm property currently leased: Leased: from _____ to _____

Name: _____ Phone _____

Address: _____ Fax _____

City/State/Zip: _____ email _____

2) The owner of a property previously leased: Leased: from _____ to _____

Name: _____ Phone _____

Address: _____ Fax _____

City/State/Zip: _____ email _____

3) Banker or Ag Lender:

Name: _____ Phone _____

Address: _____ Fax _____

City/State/Zip: _____ email _____

4) Please list other references who are familiar with your ability and whom we can contact.

Name: _____ Phone _____

Address: _____

Name: _____ Phone _____

Address: _____

In an attached cover letter, please give additional information concerning your background that may be beneficial in evaluating this application. You may also include career goals and personal (or family) objectives for the future. All information provided the applicant is deemed confidential, but the information may be subject to public disclosure under the Illinois freedom of Information Act.

I/We hereby certify that all statements made in this application are true and correct to the best of my knowledge:

Signed: _____ Date: _____

Signed: _____ Date: _____

Attachment 2 - Offer
Fixed Cash Rental Proposal – Offer Sheet by Lessee

Applicant

_____ (applicant name) agrees to pay Land owner an annual fixed cash rent for all 170.5 acres of the farmland according the lease payment and period below:

Lease Payment:

The annual cash rent for the lease period of 170.5 acres, shall be

\$ _____ per acre

Each year's cash rent will be paid in two equal payments. The first payment of the first year shall be made **upon the signing of the lease** and the second payment on **November 1, 2014**. The first and second payments for the following years shall be paid on **March 1st** and **November 1st**, at 50% of the annual lease.

Lease Period:

The term of the lease is for one year from _____ (March 1, 2014) through _____ (February 29, 2014), and for the next two annual extensions thereafter.

I/We hereby agree that the basic offer made on this form will serve as the basis for a lease agreement.

Signed: _____ Date: _____

Signed: _____ Date: _____