

COUNTY PROPERTY FOR FARMING LEASE

LAKE COUNTY, Illinois, (hereinafter, "Lessor"), hereby leases to **Michael Hennigfield** of Lake County, Illinois, (hereinafter, Lessee"), the real property, hereinafter called the Premises, more fully described in Exhibit A, attached hereto, on the following terms and conditions:

1. TERM OF LEASE. The term of this Lease shall be for the period commencing on April 9, 2013 and ending on April 8, 2018.

2. RENT. The Lessee shall pay to the Lessor as rent for the use and possession of the premises the sum of **\$100 per acre**, said calculation to be based on approximately 45 tillable acres, payable to County Administrator, 18 N County St. 9th FL Waukegan, IL 60085, **Payment of annual lease amount of \$4500 is to be received on or before June 1, of each calendar year.** The Lessee is solely responsible for all employer obligations on hired labor together with instilling and promoting respect for safety requirements, age limitations, and individual abilities and for the payment of required taxes and compensation. All farming expenses incident to performance under this Lease shall be borne by the Lessee. If the Lessee fails to pay any rent due or fails to keep any of the provisions of this Agreement, then all costs and attorneys' fees incurred by the County in enforcing collection, performance or enforcement of the Lessee Fees or this Agreement shall be added to and become part of the obligations payable by the Lessee to the County.

3. USE OF PREMISES. The premises shall be used for the purpose of planting, growing, and harvesting crops that produce hay. Lessee may not use, suffer or permit the use of any of the buildings or other structures, which may be located on the premises. The premises shall not be used for any purposes including the disposal of manure or any other purposes than those described in this paragraph without the prior written consent of the Lessor. Lessee has identified on the attached form (Exhibit B) all persons, including any subcontractors, who will be performing any work on the County Property. Besides these identified persons, Lessee shall not permit any other person to use the County Property without the prior written consent of the County. Lessee shall not use or permit the County Property to be used for any unlawful purpose or in any manner that will unreasonably disturb neighbors. No farming activities are permitted between the hours of midnight and 5am without prior County approval. Lessee shall not allow any signs or placards to be posted or placed on the County Property or erect, build, construct, or install any structures or improvements on the County Property without the prior written consent of the County, which consent may be withheld at the County's sole discretion. Lessee shall not damage, destroy, or suffer to be damaged any fence or tree located on the County, and shall not commit any waste or nuisance upon the County Property. Lessee has inspected the County Property

prior to signing this Agreement and accepts the condition of the County Property "as is," including, but not limited to, the soil conditions of the Subject Property.

4. TAXES.

The Lessee shall be solely responsible for and shall timely pay all personal property taxes levied and assessed against it or its personal property. The parties hereby acknowledge that as of the time of the Agreement the Property is not used for private commercial purposes and is not subject to real estate taxes. In the event that the Property becomes subject to real estate taxes in the future, LESSOR shall be solely responsible for and shall timely pay all real estate, special assessments or similar taxes relating to the Leased Property including any improvements made by LESSEE. Provided LESSOR requests reimbursement within one hundred and twenty (120) days of receipt of the tax bill, and such taxes are directly attributable to the LESSEE's use of the property, LESSEE shall pay one hundred (100%) of the real estate taxes assessed to the Property. Notwithstanding the foregoing, in the event that the Property is used for any additional commercial purpose and the assessment of real estate taxes is, in whole or in part, attributable to such commercial use by LESSEE and others, LESSEE shall be responsible for only that portion of the taxes which are directly attributable to its use of the Property.

5. OPERATIONS ON PREMISES. All operations conducted on the premises by the Lessee as incidents of any of the uses specified in paragraph 3 of this Lease shall be conducted by the Lessee in accordance with the following:

5.1. The Lessee agrees to perform and carry out the following:

- (a) follow the farming practices that are generally recommended for this type of farm and its locality unless other practices are agreed to by the Lessor and the Lessee;
- (b) furnish all time, labor, power, vehicles, machinery, and equipment needed to properly farm the land;
- (c) furnish labor for minor repairs and minor improvements to fences, tiles, drains, and other improvements with materials and supplies furnished and paid for by the Lessor, keeping such in as good repair and condition as they were at the beginning of this lease's term, ordinary wear, depreciation, or unavoidable destruction excepted;
- (d) transport or arrange for hauling to the farm any materials provided by the Lessor that enable the Lessee to make minor repairs or improvements to fences, tiles, drains, and other improvements;
- (e) provide written assurances to the Lessor not later than 30 days before planting that the Lessee is solvent and financially capable of paying and fully performing all of the lease terms and conditions for the current crop year;
- (f) furnish the Lessor with any information, forms, consents, or subordinations needed by the Lessor to maintain priority creditor status for his Landlord's lien;
- (g) cultivate the farm faithfully and in a timely, thorough, sustainable, and businesslike manner;
- (h) use chemicals and pesticides in accordance with labeled directions;

- (i) prevent pesticide and chemical drift on to non-target lands, including adjacent crops, yards, and animals and minimize the transfer of any genetically altered crops or characteristics to adjacent landowners;
- (j) keep the land free of the accumulation of any waste material, debris, refuse, garbage, or containers;
- (k) use the land without site contamination such as, but not limited to, chemicals, oil spills, hydrocarbons, or any other waste materials on the land or adjacent water bodies and tributaries;
- (l) minimize soil loss from erosion through prudent use of management, tillage, and conservation practices;
- (m) provide the Lessor, upon his request, with a listing of which pesticides were applied to growing crops over the past cropping season;
- (n) spray and mow weeds in lots and fencerows and along roadways and rows no less than twice each crop year;
- (o) keep no livestock without the Lessor's written permission;
- (p) keep ditches, tile drains, tile outlets, grass waterways, and terrace open and in good repair,
- (q) protect and preserve established watercourses or ditches and refrain from any operation or procedure that will injure them;
- (r) protect and preserve all forms of ingress and egress upon the property prudently, restricting the Lessee's use to light-duty vehicles whenever damage may be caused to the soil and any improvements;
- (s) take proper care of all trees, vines, and shrubs and prevent injury and disease to them, with expenses to be paid by the Lessor;
- (t) keep the farmstead neat and orderly to the satisfaction of the Lessor;
- (u) prevent all unnecessary waste, or loss, or damage to the Lessor's property;
- (v) comply with pollution control and environmental protection requirements and implement soil erosion control practices that are prudent and in compliance with the soil loss standards mandated by any governmental agency;
- (w) practice fire prevention, follow safety rules, and abide by restrictions in the Lessor's insurance contracts;
- (x) keep the Lessee's business property insurance with a reputable insurance company on terms and conditions that are satisfactory to the Lessor;
- (y) maintain recommended levels of fertilizer for the land;
- (z) use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other chemicals and similar substances;
- (aa) yield peaceable possession of the farm at the end of the lease;
- (bb) At the end of the lessee's term, the lessee is responsible for all costs of restoring the soil's conditions and fertility of the land to what they were when the leasing arrangement began.

5.2. Restricted Activities. The Lessee agrees that, absent the written consent of the Lessor, he will not do the following:

- (a) assign the lease, or any part thereof, to any person or entity or sublet any part of the leased land and improvements without the written consent of the Lessor;
- (b) erect or permit to be erected any structure or building or incur any expense to the Lessor for such purposes;
- (c) permit, encourage, or invite other persons to use any part or all of the land and its improvements for any purpose or activity that is not directly related to its use for lawful purposes relating to agriculture;
- (d) plow or disturb wetlands as described on Exhibit A;
- (e) change the natural course of any waterway;
- (f) cut live trees for any reason nor permit any other person to do so;
- (g) erect or permit to be erected any commercial advertising signs on the land of a nature and type that are other than the customary signs used to denote the type of seed that has been planted and its origin, such signs that are usual and customary for a seed test plot being expressly permitted;
- (h) store motor vehicles, tractors, machinery, equipment, fuel and chemicals on the land in a manner that violates the Lessor's insurance policies or is esthetically unpleasing to the Lessor;
- (i) Hunting, trapping or similar activities.

5.3. Farm Chemicals and Hazardous Substances. The Lessee agrees to the following provisions:

- (a) The Lessee has received training and information that includes emphasis on safe storage, mixing, application, and rinsate disposal for farm-use pesticides and chemicals. The Lessee is responsible for providing this information to his family, employees, and other persons used for fulfilling the Lessee's responsibilities under this lease.
- (b) All chemicals used by the Lessee on the Lessor's property shall be applied by a licensed operator (whenever such is required by the laws of the State of Illinois) in a prudent and proper manner, including the use of equipment that is in good working order, and at levels that do not exceed the manufacturer's recommendation. The application of any chemicals on the Lessor's property shall at all times be in a manner that is generally consistent with prudent farming practices, any rules and regulations of the Environmental Protection Agency, and any guidelines and recommendations provided by the chemical manufacturer. Each chemical container shall be used and stored in a manner that minimizes the risk of an accidental spill and discharge.
- (c) No chemicals will be stored on the Lessor's property for more than one year from the purchase date. Any chemicals or petroleum products stored or maintained on the Lessor's property will be in clearly marked, closed-tight containers located above the ground.
- (d) No excess chemicals or chemical containers will be disposed of on the Lessor's property. All excess chemicals, chemical containers, or other hazardous waste will be removed in a timely, prudent manner by the Lessee at his expense, and under no circumstances shall such remain after the end of the final lease year.
- (e) During the life of this lease, the Lessee shall record all applications of chemicals and fertilizer by field, including the name and source of each item applied, the quantity applied, and the date of the application. The Lessee shall furnish a copy of this record to the Lessor within 21 days following the Lessor's request for it. The Lessee agrees to make such record available for inspection by the Lessor at any reasonable time during the year.

- (f) The Lessee shall pay for the cleanup of any hazardous chemical spill occurring on the Lessor's property when the spill is the direct or indirect result of the Lessee's farming activities and operations. The Lessee shall keep the Lessor, safe, harmless, and indemnified as to any losses, claims, fees, damages, legal fees, causes of action, including all costs of cleanup, and other costs and expenses resulting from any such spill or contamination.

6. WASTE OR NUISANCE. The Lessee shall not commit or permit the commission by others of any waste on the premises; the Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance on the premises; and the Lessee shall not use or permit the use of the premises for any unlawful purpose.

7. INSURANCE. The Lessee, prior to commencing any work on the property, shall purchase and maintain Comprehensive General Liability Insurance, in a broad form, to include coverage for the following where exposure exists: Premises/Operations, Independent Contractors, Products/Completed Operations, Personal Injury and Contractual Liability; on an occurrence basis, limits of liability no less than:

General Liability/Personal Injury:	\$500,000.00 each person
	\$500,000.00 each occurrence
Property Damage:	\$500,000.00 each occurrence

- a. Certificates of Insurance shall be provided to Lake County prior to or upon the issuance of the Lease.
- b. All Certificates of Insurance must be accompanied by a separate endorsement which designates as an additional insured Lake County and its officers, agents and employees. This endorsement must be signed by an officer of the Insurance Company issuing the policy or by an authorized, designated agent of that Insurance Company.

8. ALTERATIONS AND LIENS. The Lessee shall not make or permit any other person to make any alterations to the premises or any improvement thereon or facility appurtenant thereto without the written consent of the Lessor first had and obtained. The Lessee shall keep the premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted thereon at the insistence or request of Lessee. The Lessor's "landlord lien" provided by law on crops grown or growing shall be the primary security for the rent specified in this lease and for the faithful performance of the terms of this lease. Within ten days of being requested by the Lessor, the Lessee shall provide the Lessor with the names of persons to whom the Lessee intends to sell crops grown on the Lessor's land. Additionally, the Lessee agrees to cooperate fully in enabling the Lessor's timely "perfection" of its interest in any lien that may be provided by law, as such laws now exist and as they may be altered or amended in the future. The Lessee agrees to provide in a timely manner the Lessor or the Lessor's attorney with the information that is considered necessary in order to protect and preserve the Lessor's rights as provided by law. If the laws affecting this paragraph are changed in any manner, then the Lessee agrees to cooperate fully with any efforts of the Lessor to protect his interest.

9. INSPECTION BY LESSOR. The lessee shall permit the Lessor or the Lessor's agents, representatives, or employees to enter the premises at all reasonable times for the purpose of inspecting the premises to determine whether the Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect the Lessor's interest in the premises. An incoming tenant, purchaser, or the Lessor shall have the right to enter the land after the fall harvest preceding the expiration of this lease term for the purpose of preparing the land for next year's crops.

10. ACCEPTANCE BY LESSEE. The Lessee accepts the premises, in their present condition. The Lessee agrees with, and represents to the Lessor, that the premises have been inspected by him and that he has been assured by means independent of the Lessor or any agent of the Lessor of the truth of all facts material to this Lease and that the premises are being leased by the Lessee as a result of his inspection and investigation and not as a result of any presentations made by the Lessor or any agent of the Lessor.

11. HOLD HARMLESS. The Lessee agrees to indemnify, defend, and hold the Lessor and the property of the Lessor including the premises, free and harmless from any and all claims, liability, loss, damage, or expenses resulting from the Lessee's occupation and use of the premises, including without limitation any claim, liability, loss or damage arising:

a. By reason of the injury to person or property, from whatever cause, while in or on the premises or any way connected with the premises or with the improvements or personal property in or on the premises including any liability for injury to the person or personal property of the Lessee, his agents, officers, or employees;

b. By reason of any work performed on the premises or materials furnished to the premises at the instance or request of the Lessee, his agents, or employees;

c. By reason of the Lessee's failure to perform any provision or to comply with any requirement imposed to him or on the premises by any duly authorized governmental agency or political subdivision; and

d. Because of Lessee's failure or inability to pay as they become due any obligations incurred by him in the agricultural or other operations to be conducted by him on the premises.

12. SUB-LEASING AND ASSIGNING. The Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the premises or any of the improvements that may now or hereafter be constructed or installed on the premises, without the express written consent of the Lessor first had and obtained. Neither shall the Lessee sub-let the premises or any part thereof or allow any other persons, other than Lessee's agents, family, and servants, to occupy or use the premises or any part thereof without the prior written consent of the Lessor. Any consent by the Lessor to

one assignment, sub-letting, occupation, or use by another person shall not be deemed to be a consent to any subsequent assignment, sub-letting, occupation, or use by another person. Any encumbrance, assignment, transfer, or sub-letting without the prior written consent of the Lessor, whether it be voluntary or involuntary, shall be considered a default and shall, at the option of the Lessor, terminate this Lease.

13. INDEPENDENT CONTRACTOR. It is mutually agreed that the Lessee is an independent Contractor, not subject to the control of the County, and is not an employee of the County.

14. ABANDONMENT BY LESSEE. Should the Lessee breach this Lease and abandon the premises prior to the natural termination of the term of this Lease, the Lessor shall be considered in default and it shall be the option of the Lessor to terminate this Lease.

15. DEFAULT BY LESSEE. All covenants and agreements contained in this Lease are declared to be conditions to this Lease and to the term hereby demised to the Lessee. In the event of default by Lessee, the Lessor shall have full and unrestricted access to the land as though the lease had not been made.

16. INSOLVENCY OF LESSEE. The insolvency of the Lessee as evidenced by a Receiver being appointed to take possession of all or substantially all of the property of the Lessee, in making a general assignment for the benefit of creditors by Lessee, or the adjudication of the Lessee as bankrupt under the Federal Bankruptcy Act shall terminate this Lease and entitle Lessor to re-enter and re-gain possession of the premises.

17. NOTICES. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed fully served and given when personally delivered to the party to whom it is directed, or in lieu of such personal service when deposited in the United States mail, Certified Mail, addressed to the Lessee Address TBD, or to the Lessor in care of Purchasing Agent, County of Lake, 18 North County St. 9th FL, Waukegan, IL 60085. Either party, the Lessee or the Lessor, may change their address for the purpose of this paragraph by giving written notice of such change to the party in the manner provided in this paragraph.

18. HEIRS AND SUCCESSORS. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this paragraph shall be construed as a consent by the Lessor to any assignment of this Lease or any interest therein by the Lessee except as provided in paragraph 11 of this Lease.

19. LESSEE'S UNDERSTANDING OF FARMING AND RISKS. The Lessee takes possession of the land and improvements

subject to the hazards of operating a farm, assuming all risk of accidents personally as well as for family, employees, or agents in pursuance of the farming operation, or in performing repairs on buildings, fences, tile, and other improvements.

20. ACCESS TO PREMISES. The Lessor reserves, at all times, the right of ingress and egress on the property.

21. YIELDING POSSESSION. The Lessee agrees at the expiration or termination of this lease to yield possession of the land and improvements to the Lessor without further demand or notice, in as good order and condition as when they were entered on by the Lessee, loss by fire, flood or tornado and ordinary wear excepted. If the Lessee fails to yield possession, then the Lessee shall pay to the Lessor an amount of rent per day that is equal to the statutory double rent based on payments made during the prior year for each day the Lessee remains in possession, in addition to court costs and attorneys' fees, and any damages caused by the Lessee to the Lessor's land, improvements, livestock, or other related farm personal property. Payments made by the Lessee do not give the Lessee any interest in or to the land and the improvements.

22. TIME OF ESSENCE. Time is expressly declared to be of the essence in this Lease.

23. WAIVER. The waiver of any breach or any of the provisions of this Lease by the Lessor shall not constitute a continuing waiver or a waiver of any subsequent breach by the Lessee either of the same or of another provision of this Lease. The Lessee shall not be excused from complying with any of the requirements of the Lease because of any failure on the part of the County, on any one or more occasions, to insist on the Lessee's performance or to seek the Lessee's compliance with any one or more of said terms or conditions.

24. CONTRACT CLAIMS. All unresolved claims are to be submitted to the Purchasing Agent, Lake County, and resolved in accordance with the Appeals and Remedies provisions of the Lake County Purchasing Ordinance.

Executed at Lake County, Illinois.

Date: _____ 2013

Date: _____ 2013

Date: _____ 2013

LESSEE SIGNATURE/
Michael Henningfield

Aaron Lawler, Chairman
Lake County Board

WILLARD HELANDER
Lake County Clerk