

**INVITATION TO BID  
SALE OF MUNICIPAL PROPERTY**

The City of Washington will accept sealed bids for the sale of surplus farmland owned by the City of Washington. Bids must be submitted on a Bid Form provided by the City of Washington and must be received at Washington City Hall, 301 Walnut Street, Washington, Illinois 61571. Potential bidders should submit bids as soon as possible. Bids will be opened and considered immediately upon receipt by the City Clerk of the City of Washington. Bids shall remain valid for 30 days from the date of the City’s receipt of such bid. Bid Specifications Packets may be obtained at the City Clerk’s office, Washington City Hall, 301 Walnut Street, Washington, Illinois or by calling the City Administrator of the City of Washington at (309) 444-1123. The City of Washington reserves the right to accept or reject any or all bids.

**BID SPECIFICATIONS SHEET**

The following are specifications for placing a bid to buy farmland from the City of Washington:

1. Bids must be submitted on the Bid Form attached hereto as Exhibit “A”.
2. The successful bidder shall enter into a purchase agreement in a form substantially similar to the form attached to the Bid Specifications Packet as Exhibit “B”. The proposed purchase agreement form should be read carefully and the successful bidder must agree to comply with all terms and conditions in the purchase agreement.
3. Pursuant to the terms of the purchase agreement, the City is required to issue a title commitment to the successful bidder. The title commitment is attached hereto as Exhibit “C”.
4. The information on the farmland subject to this invitation to bid is indicated in the table below and in additional pages included in the Bid Specifications Packet.

| Site                                  | Parcel #         | Estimated Tillable Acres |
|---------------------------------------|------------------|--------------------------|
| City of Washington Farm #2 (“Tarvin”) | 02-03-18-200-007 | 41.8 acres               |

5. The Tarvin farm is subject to a cash rent farm lease set to expire on December 31, 2018 (as described in Exhibit “C”, Schedule B, Part II, Exception 11). The successful bidder shall acquire the Tarvin farm subject to such lease. The cash rent farm lease is attached hereto as Exhibit “D”.
6. A 5.16-acre portion of the Tarvin farm, along with a non-exclusive 17-foot-wide ingress and egress easement are subject to a lease agreement in effect until March 31, 2025 (as described in Exhibit “C”, Schedule B, Part II, Exception 10). Such lease agreement is attached hereto as Exhibit “E”.

7. The initial asking price for the sale of the Tarvin farm shall be \$14,500 per acre.
8. The tillable acres are estimated by the City staff based on data from the Tazewell County FSA office.
9. All bids must be on the Bid Form provided by the City and must be signed by the bidder. Bids should be placed in a sealed envelope and the bidder should mail or deliver its sealed bid to the City Clerk, Washington City Hall, 301 Walnut Street, Washington, Illinois 61571. The bidder should sign the outside of the envelope across the seal. Bids will be opened and considered upon receipt by the City. The Washington City Council may accept or reject any bid at any time. Bids shall remain valid for 30 days upon their receipt by the City of Washington.
10. No further bids will be received after the acceptance of a bid by the Washington City Council. All bids are to be submitted with the understanding of the bidder that its bid shall be subject to all of the terms and conditions of the bid package which is incorporated herein and made a part thereof.
11. Attached to the Bid Form shall be a letter of credit for the amount of the bid from a financial institution.
12. The City of Washington reserves the right to accept or reject any or all bids.

#### Attachments to Bid Specifications Packet

- A. Bid Form
- B. Purchase Agreement
- C. Title Commitment
- D. Lease #1
- E. Lease #2

**BID FORM**

I, the undersigned, submit the following bid to purchase the farmland as specified in the Bid Specifications Packet, under the following terms and conditions:

1. I bid the amount of \$\_\_\_\_\_ per acre for the farmland commonly known as the Tarvin farm;
2. Attached hereto I have included a letter of credit from my bank or other financial institution; and
3. I agree that, if I am the successful bidder, I will execute a purchase agreement in substantially the same form as provided me in the Bid Specifications Packet.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address

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## AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (“**Agreement**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Washington, an Illinois home-rule corporation (the “**Seller**”), and \_\_\_\_\_ (the “**Purchaser**”).

### RECITAL

WHEREAS, Purchaser desires to purchase real property described in Section 1 below and in connection therewith Seller and Purchaser desire to enter into this Agreement to set forth the terms and conditions of such purchase and sale.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale Agreement. Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, subject to all of the terms and conditions of this Agreement, the real estate legally described in the attached Exhibit “A”, together with all privileges, rights, easements, hereditaments and appurtenances (“**Real Property**”). Seller shall convey merchantable title to the Real Property to Purchaser by special warranty deed free and clear of all liens and encumbrances, and not subject to any easements, covenants, restrictions, dedications or rights of way, or other matters affecting title to the Real Property or use of the Real Property, except for those title exceptions (“**Permitted Objections**”) identified in the 2006 ALTA form title commitment (“**Title Commitment**”) for a 2006 ALTA Form Owner’s Title Insurance Policy (“**Title Policy**”) issued by Chicago Title Insurance Company (“**Title Insurer**”), covering the Real Property in the amount of the Purchase Price showing merchantable record title to the Real Property to be in Seller, a copy of which is attached hereto as Exhibit “B”.

2. Purchase Price. The agreed purchase price of the Real Property (“**Purchase Price**”) shall be \_\_\_\_\_ No/100 Dollars (\$\_\_\_\_\_.00) to be paid by Purchaser at Closing, plus or minus credits and prorations provided for herein in cash or by cashier’s check or bank wire transfer of collected federal funds.

3. Title Policy. At Closing, Seller shall cause the Title Insurer to issue the Title Policy to Purchaser (in accordance with the Title Commitment attached hereto as Exhibit “B”), subject only to the Permitted Objections and other matters approved or waived in writing by the Purchaser.

4. Closing. The purchase of the Real Property shall be consummated as follows:

4.1 Closing Date. The closing (the “**Closing**”) shall be on June 1, 2018, or such earlier date as may be agreed upon by Purchaser and Seller in advance (the “**Closing Date**”) and shall be held at the office of the Title Insurer, unless the parties agree otherwise.

4.2 Seller's Deliveries. At Closing, Seller shall deliver to Purchaser the following:

4.2.1 Deed. An executed special warranty deed to the Real Property (in the form required by Section 1 hereof) prepared by Seller and in a form reasonably acceptable to Purchaser (the “**Deed**”).

4.2.2 Title Policy. The Title Policy provided for in Section 3 hereof.

4.2.3 ALTA Statement. An executed ALTA Statement in the form required by the Title Insurer.

4.2.4 Other Documents. Such other documents, instruments, certifications and confirmations as may be reasonably required by Purchaser to fully effect and consummate the transactions contemplated hereby.

4.2.5 Evidence of Authorization. Evidence satisfactory to Purchaser and the Title Insurer that Seller is authorized to execute this Agreement and proceed with the transactions provided for herein.

4.3 Purchaser's Deliveries. At Closing, Purchaser shall deliver to Seller the following:

4.3.1 Purchase Price. The Purchase Price in the form as set forth in Section 2 hereof.

4.3.2 ALTA Statement. An executed ALTA Statement in the form required by the Title Insurer.

4.3.3 Other Documents. Such other documents, instruments, certifications and confirmations as may reasonably be required by Seller to fully effect and consummate the transactions contemplated hereby.

4.3.4 Evidence of Authorization. Evidence satisfactory to Seller and the Title Insurer that Purchaser is authorized to execute this Agreement and proceed with the transactions provided for herein.

4.4 Joint Deliveries. At Closing, Seller and Purchaser shall jointly deliver to each other the following:

4.4.1 Closing Statement: An agreed upon closing statement.

4.4.2 Transfer Tax Filings. Executed documents complying with the provisions of all federal, state, county and local law applicable to the determination of transfer taxes.

4.5 Possession. Possession of the Real Property shall be delivered to Purchaser on the Closing Date, subject to the leases identified in the Title Commitment.

4.6 Property Taxes.

4.6.1 Payments by Seller. All installments of real property taxes on the Real Property which are due and owing on or prior to the Closing Date shall be paid by Seller prior to or at Closing.

4.6.2 Credit to Purchaser for Taxes. Purchaser shall receive a credit against the Purchase Price for all installments of real property taxes on the Real Property for the calendar year immediately preceding the Closing Date which are not yet due and owing as of the Closing Date. Real property taxes for the calendar year of the Closing shall be prorated from January 1 of such calendar year to the Closing Date based on the latest available assessment and tax rate, and the Purchaser shall receive an additional credit against the Purchase Price for the amount so calculated.

4.7 Proration of Cash Rent Farm Lease Rent. Buyer shall pay to Seller at Closing an amount equal to (i) any rent payable under the lease identified in the Title Commitment Schedule B, Part II, Exception 11 multiplied by a fraction, the numerator of which is the number of days from January 1, 2018 to the Closing Date and the denominator of which is 365, minus (ii) any rent actually received by the Seller under such lease.

4.8 Proration of RC Flyer Lease Rent. Buyer shall receive a credit at closing toward the Purchase Price equal to any rent received by Seller for the 2018 lease term under the lease identified in the Title Commitment Schedule B, Part II, Exception 10 multiplied by a fraction, the numerator of which is the number of days from the Closing Date until April 1, 2019 and the denominator of which is 365.

4.9 Closing Costs. Purchaser shall pay the following costs: Purchaser's attorneys' fees, recording fees for recording the deed and all other miscellaneous closing costs. Seller shall pay the following costs: Seller's attorneys' fees, the insurance premium for the title policy issued pursuant to the commitment for title insurance required by Section 3 above, any transfer taxes and the cost of documentary stamps,

4.10 Brokerage Commissions. Seller has not engaged any real estate broker in connection with the sale of the Real Property. Purchaser has not engaged any broker in connection with the sale of the Real Property.

4.11 Special Assessments. Seller will pay any unpaid special assessments confirmed prior to the Closing Date. Seller knows of no proceeding for special assessments against the Real Property.

5. Seller's Representations, Warranties and Covenants. Purchaser expressly agrees to purchase the Real Property “**AS IS**”, it being fully understood that the Seller has made no warranties or representations of any kind pertaining to the Real Property, or the condition thereof.

6. Default. If either Seller or Purchaser wrongfully refuses to close the sale of the Real Property or is unable to close the sale of the Real Property under the terms of this Agreement, the same shall constitute a breach of this Agreement and the non-breaching party shall be entitled to all remedies under Illinois law at the time of the breach and the right to recover as an element of its damages, reasonable attorneys’ fees and court costs and all other damages suffered as a result of the breach or default hereunder.

7. Assignment. Purchaser may assign its rights under this Agreement without the consent of the other party, with such consent shall not be unreasonably withheld. Seller shall not assign its rights under this Agreement.

8. Casualty. If the buildings and improvements forming a part of the Real Property are damaged or destroyed by fire or other casualty from and after the date hereof Seller, at its option may, or may not, repair such damage or destruction and Purchaser may either (i) accept such repairs, or non-repairs, as the case may be, and this Agreement shall close according to its terms, or (ii) terminate this Agreement by providing written notice of such termination to Seller as provided in Section 10 below. In the event of such termination, the parties shall have no further rights or liability under this Agreement.

9. Condemnation. Intentionally Omitted

10. Miscellaneous. It is further understood and agreed as follows:

10.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute one and the same instrument.

10.2 Severability. If any provision of this Agreement shall be held to be void or unenforceable for any reason, the remaining terms and provisions hereof shall not be affected thereby.

10.3 Time. Time is of the essence of this Agreement.

10.4 Binding Effect. The provisions of this Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

10.5 Amendment and Waiver. This Agreement may be amended at any time in any respect only by an instrument in writing executed by Seller and Purchaser. Either party may waive any requirement to be performed by the other hereunder, provided that said waiver shall be in writing and executed by the party waiving the requirement.

10.6 Integrated Agreement. This Agreement, and all exhibits attached to this Agreement, constitutes the entire agreement between Purchaser and Seller relating to the purchase of the Real Property, and there are no agreements, understandings, restrictions, warranties or representations between Purchaser and Seller other than those set forth herein.

10.7 Choice of Law. It is the intention of Seller and Purchaser that the internal laws of Illinois, and not its law of conflicts, shall govern the validity of this Agreement, the construction of its terms and interpretation of the rights and duties of Purchaser and Seller.

10.8 Notices. All notices, requests and other communications required or permitted by this Agreement shall be in writing and may be personally delivered, including by any nationally recognized courier service such as Federal Express, or mailed by certified or registered mail with first class postage prepaid and a return receipt requested, addressed to:

If to Seller:

City of Washington  
Attn: City Administrator  
301 Walnut Street  
Washington, IL 61571

With a copy to:  
Derek A. Schryer  
DAVIS & CAMPBELL L.L.C.  
401 Main Street, Suite 1600  
Peoria, IL 61602

If to Purchaser:

\_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A notice (i) delivered personally will be deemed received on the date delivered or refused, (ii) mailed will be deemed received on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. "Business Day" shall mean any day of the year, other than Saturday, Sunday or a state or federal holiday observed in the place of sending or receipt of a notice, request or other communication required or permitted under this Agreement. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; and, thereafter, notices are to be directed to those substitute addresses or addressees.

10.9 Waiver of Tender. Formal tender of an executed deed and the Purchase Price each is hereby waived.

10.10 Construction of the Agreement. Each party had the opportunity to be represented by legal counsel during the negotiation resulting in this Agreement. The parties agree that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

**[Remainder of Page Left Intentionally Blank]**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, as of the day and year first above written.

**PURCHASER:**

\_\_\_\_\_

**SELLER:**

CITY OF WASHINGTON

\_\_\_\_\_  
Gary W. Manier, Mayor

Attest

\_\_\_\_\_  
Patricia S. Brown, City Clerk

00200253.DOC

**EXHIBIT "A" to  
Agreement for Purchase and Sale of Real Property**

*Real Property*

All that part of the West Half of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, lying North of the right-of-way of the T. P. & W. R.R., EXCEPT a part thereof described as follows:

Beginning at a point on the North line of said West Half of the Northeast Quarter 363 feet East of the Northwest corner of said Northeast Quarter; thence South 620 feet; thence East 352 feet; thence North 620 feet to the North line of said Northeast Quarter; thence West on said North line 352 feet to the Point of Beginning, Tazewell County, Illinois.

**Except** the following-described real estate:

A part of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, more particularly described as follows:

Commencing at a PK nail found at the Northwest Corner of the said Northeast Quarter of Section 18; thence South 00° 36' 48" West, (an assumed bearing), along the West line of said Northeast Quarter of Section 18, a distance of 40.00 feet, to the Point of Beginning; thence South 89° 40' 33" East, along a line 40.00 feet South of and parallel with the North line of the said Northeast Quarter of Section 18, a distance of 363.20 feet, to the West line of a tract of land as shown in Plat Book "PP", Page 96, in the Tazewell County Recorder's Office; thence South 00° 19' 27" West, along the said West line of the tract of land shown in Plat Book "PP", Page 96, a distance of 600.00 feet; thence North 89° 40' 33" West, a distance of 366.23 feet, to the said West line of the Northeast Quarter of Section 18; thence North 00° 36' 48" East, along the said West line of the Northeast Quarter, a distance of 600.01 feet, to the Point of Beginning, containing 5.024 acres, more or less; situated in the County of Tazewell and State of Illinois.

**EXHIBIT "B" to  
Agreement for Purchase and Sale of Real Property**

*Title Commitment*

Title Commitment Number: 5245-1800241

# ALTA COMMITMENT FOR TITLE INSURANCE

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Commitment Number:

**5245-1800241**

## NOTICE

**IMPORTANT - READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

## COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, Chicago Title Insurance Company, a Florida corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within one hundred eighty (180) days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**Chicago Title Insurance Company**

By:

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Countersigned By:

\_\_\_\_\_  
Authorized Officer or Agent



*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**Transaction Identification Data for reference only:**

| ORIGINATING OFFICE:   | FOR SETTLEMENT INQUIRIES, CONTACT:  |
|---|---|
| Chicago Title Company<br>2808 Court St.<br>Pekin, IL 61554<br>Main Phone: (309)347-1235<br>Email: tricountyctdocs@ctt.com | Chicago Title and Trust Company<br>2808 Court St.<br>Pekin, IL 61554<br>Main Phone: (309)347-1235 Main Fax: (309)347-1283 |

**Order Number: 5245-1800241**

Property Ref.: Cruger Rd, Washington, IL 61571

**SCHEDULE A**

1. Commitment Date: March 7, 2018
2. Policy to be issued:
  - (a) ALTA Owner's Policy 2006
 

|                         |   |
|-------------------------|---|
| Proposed Insured:       | Purchaser with contractual rights under a purchase agreement with the vested owner identified at Item 4 below |
| Proposed Policy Amount: | \$0.00  |
3. The estate or interest in the Land described or referred to in this Commitment is:
 

Fee Simple
4. Title to the estate or interest in the Land is at the Commitment Date vested in:
 

CITY OF WASHINGTON, a municipal corporation
5. The Land is described as follows:
 

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

**END OF SCHEDULE A**

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**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): 02-03-18-200-007**

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All that part of the West Half of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the 3rd P.M., lying North of the right-of-way of the T.P. & W. R.R. EXCEPT a part thereof described as follows:

Beginning at a point on the North line of said West Half of the Northeast Quarter, 363 feet East of the Northwest corner of said Northeast Quarter; thence South 620 feet; thence East 352 feet; thence North 620 feet to the North line of said Northeast Quarter; thence West on said North line 352 feet to the point of beginning, Tazewell County, Illinois.

Except the following-described real estate:

A part of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, more particularly described as follows:

Commencing at a PK nail found at the Northwest Corner of the said Northeast Quarter of Section 18; thence South 00 degrees 36' 48" West, (an assumed bearing), along the West line of said Northeast Quarter of Section 18, a distance of 40.00 feet, to the Point of Beginning thence South 89 degrees 40'33" East, along a line 40.00 feet South of and parallel with the North line of the said Northeast Quarter of Section 18, a distance of 363.20 feet, to the West line of a tract of land as shown in Plat Book "PP", Page 96, in the Tazewell County Recorder's Office; thence South 00 degrees 19' 27" West, along the said West line of the tract of land shown in Plat Book "PP", Page 96, a distance of 600.00 feet; thence North 89 degrees 40' 33" West, a distance of 366.23 feet, to the said West line of the Northeast Quarter of Section 18; thence North 00 degrees 36' 48" East, along the said West line of the Northeast Quarter, a distance of 600.01 feet, to the Point of Beginning, containing 5.024 acres, more or less; situated in the County of Tazewell and State of Illinois.

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AMERICAN  
LAND TITLE  
ASSOCIATION



Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

### SCHEDULE B, PART I REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. Be advised that the "good funds" of the title insurance act (215 ILCS 155/26) became effective 1-1-2010. This act places limitations upon the settlement agent's ability to accept certain types of deposits into escrow. Please contact your local Chicago Title office regarding the application of this new law to your transaction.
7. Effective June 1, 2009, pursuant to Public Act 95-988, satisfactory evidence of identification must be presented for the notarization of any and all documents notarized by an Illinois notary public. Satisfactory identification documents are documents that are valid at the time of the notarial act; are issued by a state or federal government agency; bear the photographic image of the individual's face; and bear the individual's signature.
8. **The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner's Policy should reflect the purchase price or full value of the Land. A Loan Policy should reflect the loan amount or value of the property as collateral. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.**

END OF SCHEDULE B, PART I

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Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

## SCHEDULE B, PART II EXCEPTIONS

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

### General Exceptions

1. **Rights or claims of parties in possession not shown by Public Records.**
2. **Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land.**
3. **Easements, or claims of easements, not shown by the Public Records.**
4. **Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.**
5. **Taxes or special assessments which are not shown as existing liens by the Public Records.**
6. **We should be furnished a properly executed ALTA statement and, unless the land insured is a condominium unit, a survey if available. Matters disclosed by the above documentation will be shown specifically.**
7. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.
8. Taxes for the years 2017 & 2018.

Taxes for the years 2017 & 2018 are not yet due or payable.

Permanent Tax No.: 02-03-18-200-007

Note: Taxes for the year 2016 amounting to \$0.00 (EXEMPT) are paid of record.

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Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

## SCHEDULE B, PART II EXCEPTIONS

(continued)

9. Please be advised that our search did not disclose any open mortgages of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

10. A lease with certain terms, covenants, conditions and provisions set forth therein.

Dated: April 13, 2015  
Lessor: City of Washington, Tazewell County, Illinois  
Lessee: Washington R/C Flyers Club  
Beginning: April 1, 2015 and ending: March 31, 2025

And all rights thereunder of, and all acts done or suffered thereunder by, said Lessee or by any party claiming by, through or under said Lessee.

11. A lease with certain terms, covenants, conditions and provisions set forth therein.

Dated: November 24, 2014  
Lessor: City of Washington  
Lessee: Jonathan Zehr  
Beginning: January 1, 2015 and ending: December 31, 2018

And all rights thereunder of, and all acts done or suffered thereunder by, said Lessee or by any party claiming by, through or under said Lessee.

12. The acreage indicated in the legal description on Schedule A is solely for the purpose of identifying the Land. The Company does not insure the quantity of the Land.

13. Rights of the public, the State of Illinois and the municipality in and to that part of the Land, if any, taken or used for road purposes.

14. Rights of Way for drainage tiles, ditches, feeders, laterals and underground pipes, if any.

15. Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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Name and Address of Title Insurance Company: Chicago Title Company  
2808 Court St.  
Pekin, IL 61554

**SCHEDULE B, PART II  
EXCEPTIONS**

(continued)

16. The Land described in Schedule A either is unsubdivided property or constitutes part of a subdivided lot. As a result, a Plat Act Affidavit should accompany any conveyance to be recorded. In the alternative, compliance should be had with the provisions of the Plat Act (765 ILCS 205/1 et seq.)

**END OF SCHEDULE B, PART II**

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**COMMITMENT CONDITIONS****1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I-Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I-Requirements;
- (f) Schedule B, Part II-Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I-Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II-Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I-Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.

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(continued)

- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II-Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is Two Million And No/100 Dollars (\$2,000,000.00) or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

**END OF CONDITIONS****1031 EXCHANGE SERVICES**

**If your transaction involves a tax deferred exchange, we offer this service through our 1031 division, IPX1031. As the nation's largest 1031 company, IPX1031 offers guidance and expertise. Security for Exchange funds includes segregated bank accounts and a 100 million dollar Fidelity Bond. Fidelity National Title Group also provides a 50 million dollar Performance Guaranty for each Exchange. For additional information, or to set-up an Exchange, please call Scott Nathanson at (312)223-2178 or Anna Barsky at (312)223-2169.**

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## **Cash Rent Farm Lease**

This Lease is entered into on November 24, 2014, between the City of Washington, an Illinois home-rule municipal corporation, whose mailing address is 301 Walnut Street, Washington, Illinois 61571 (“**Landlord**”) and Jonathan Zehr (“**Tenant**”), whose mailing address is 106 Campus Avenue, East Peoria, Illinois 61611.

### **BACKGROUND**

A. Landlord owns the real property legally described in Exhibit A, together with all buildings and improvements thereon belonging to the Landlord (“**Property**”).

B. Tenant desires to lease the Property owned by Landlord and Landlord and Tenant desire to enter into a written lease to set forth the terms and conditions of the lease.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### **Article 1.**

##### **Description of Rented Land and Length of Tenure**

A. **Description of Land.** The Landlord rents and leases to the Tenant, to occupy and to use for agricultural purposes only, the Property. Tenant shall have no right to occupy or use that portion of the Property that is timberland except as is necessary for ingress and egress.

B. **Length of Tenure.** The term of this lease shall be four years, commencing on January 1, 2015, to December 31, 2018, unless sooner terminated as provided herein.

#### **Article 2.**

##### **Rent**

Tenant will pay Landlord as rent for the Property in a lease year an amount equal to the Eleven Thousand, Three Hundred and Twenty-Seven and 80/100 Dollars (\$11,327.80) (“**Rent**”). Twenty-five percent of the Rent shall be paid on or before May 1 of each lease year. The remainder of the Rent shall be paid on or before December 1 of each lease year. Rent payments shall be made payable and delivered to the City of Washington, c/o Washington City Clerk, 301 Walnut Street, Washington, Illinois 61571.

#### **Article 3.**

##### **Tenant's Duties in Operating Farm**

A. Tenant covenants and agrees as follows:

- i. To cultivate the Property faithfully and in a timely, thorough, and businesslike manner.

- ii. To prevent all unnecessary waste, loss, or damage to the property of Landlord.
- iii. To use the Property only for agricultural purposes.
- iv. Not to erect or permit to be erected any structure or building or to incur any expense to Landlord for such purpose, without the prior written consent of Landlord.
- v. Not to permit, encourage, or invite other persons to use any part or all of the Property for any purpose or activity not directly related to its use for agricultural production.
- vi. Not to allow any livestock on the Property.
- vii. Not to cut live trees for any reason without the express written consent of the Landlord.
- viii. To comply with all federal, state and local statutes, regulations, ordinances, rules and policies, all court and administrative orders and decrees, all arbitration awards, and the common law, which pertain to environmental or natural resource matters or contamination of any type whatsoever ("**Environmental Laws**").
- ix. Not to permit the erection of any commercial advertising signs.
- x. Not to assign this Lease to any person or persons or sublet any part of the Property.
- xi. To prevent noxious weeds from going to seed on the Property and to destroy the same and keep the weeds and grass cut.
- xii. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair. In the event of a major tile break, Tenant shall notify the City Manager of the break before any repairs are undertaken.
- xiii. To preserve established watercourses or ditches and to refrain from an operation that will injure them.
- xiv. To keep the fences (including hedges), and other improvements on the Property in as good repair and condition as they are when Tenant takes possession or in as good repair and condition as they may be put by the Landlord during the Lease term – ordinary wear, loss by fire or unavoidable destruction excepted.
- xv. To prevent all unnecessary waste or loss or damage to the Property.
- xvi. To comply with rules and regulations of the Illinois Pollution Control Board, United States Department of Agriculture and the Natural Resources Conservation Service. Tenant shall not be responsible for action of Landlord that may be contrary to said rules and regulations.

- xvii. To plant crops in accordance with generally accepted farming and soil conservation practices and provide Landlord with written reports of the crops planted, fertilizers, herbicides and other products applied to the Property.

**Article 4.**  
**Real Estate Taxes**

Landlord shall pay the general real estate taxes and special assessments levied against the Property during the term of this Lease.

**Article 5.**  
**Inspection; Soil Surveys and Monitoring**

Landlord shall have the right to enter the Property at any time to inspect the Property, and to perform any acts related to the safety, protection, preservation, reletting or improvement of the Property. Prior to the planting of the first crops by Tenant, Landlord may elect to (a) obtain and pay for a comprehensive soil sample survey of the Property with soil analyzed in grids not to exceed 10 acres, the results of which are incorporated by reference into this Lease, and (b) implement and pay for the cost of bringing the Property to the Landlord's desired level of productivity. A comprehensive soil sample survey shall then be conducted every year after the removal of the crops. If the survey reveals the then soil conditions to be within five percent (5%) of the initial survey, then the costs of the survey shall be divided evenly between the Landlord and the Tenant. If the then soil conditions exceed the original amount by more than five percent (5%), then the Landlord agrees to pay for the entire cost of the survey. The Tenant is responsible for paying this expense in the event that then soil conditions are more than five percent (5%) below the original soil survey results.

At the end of Tenant's term, the Tenant is responsible for all costs of restoring the soil's condition and fertility of the Property to what they were when the leasing arrangement began. Failure to maintain adequate soil standards during the term of the Lease is immediate grounds for terminating the Lease.

**Article 6.**  
**Public Liability Insurance**

Tenant shall, at his own expense, at all times during the term of this Lease, maintain in effect a comprehensive public liability insurance policy with a carrier acceptable and approved by Landlord, which will name Landlord as an additional insured, insuring against claims, demands and actions with respect to bodily injury, death or property damage arising from Tenant's use of the Property, with the following minimum limits of coverage:

Crop Insurance:        \$271.00 per acre (to match lease amount).

Liability Insurance:   \$2,000,000 per occurrence

Property Damage:     \$2,000,000 per occurrence

Tenant shall deliver to Landlord appropriate insurance certificates evidencing such coverages, such certificates providing for not less than 30 days notice to Landlord of cancellation or termination.

## **Article 7.**

### **Default**

A. The occurrence of any one or more of the following events shall constitute an Event of Default under this Lease:

- i. The failure by Tenant to pay any installment of rent or any money due under this Lease and such failure is not cured within five (5) days after delivery of written notice from Landlord specifying such failure to pay.
- ii. The failure by Tenant to perform any other covenant or agreement to be performed by Tenant under this Lease except those requiring the payment of rent or any money due under this Lease and Tenant shall have failed to cure such breach within thirty (30) days after written notice from Landlord specifying the nature of such breach; provided, however, if Tenant's default cannot be reasonably cured within such thirty (30) day period, then Tenant shall not be in default if it commences to cure the default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- iii. A receiver or similar officer becomes entitled to the leasehold interest of Tenant under this Lease.
- iv. Abandonment of the Property by Tenant.
- v. Levy, seizure, attachment, or sale of the leasehold interest of Tenant under this Lease.
- vi. Tenant becomes insolvent or unable to pay debts as they mature, or admits in writing to such effect; makes an assignment for the benefit of creditors; a proceeding is instituted by or against Tenant alleging that Tenant is insolvent or unable to pay debts as they mature; or a petition under any bankruptcy or insolvency law is brought by or against Tenant.

B. Tenant shall promptly notify Landlord in writing upon the happening or occurrence or existence of any Event of Default, or any event or condition which with the passage of time or giving of notice, or both, would constitute an event of Default.

C. Upon the occurrence of any of the Events of Default, Landlord may, at its option, without notice to or demand upon Tenant, exercise any one or more of the following remedies:

- i. Landlord may reenter the Property immediately with or without process of law and with the use of such force as may be necessary, and remove all persons and all property therefrom. Landlord shall not be liable or responsible for any damages resulting therefrom.
- ii. Landlord may terminate this Lease by ten (10) days written notice to Tenant. Reentry only, without notice of termination, will not terminate this Lease. Upon termination of this Lease, Landlord may recover from Tenant all damages

proximately resulting from the termination, including the cost of recovering the Property. All such amounts shall be immediately due and payable from Tenant.

- iii. After reentering, Landlord may relet the Property or any part thereof, for any term, without terminating this Lease at such rent and on such terms as Landlord may choose.
- iv. Landlord may pursue any other remedy or combination of remedies legally available to Landlord, including the recovery of damages caused by Tenant's failure to perform or observe any covenant or condition of this Lease.

#### **Article 8.**

#### **Possession, Landlord's Lien, Mineral Rights, Liability, Indemnification and Use**

A. **Yielding Possession.** Tenant agrees at the expiration or termination of this lease to yield possession of the premises to Landlord without further demand or notice, in as good order and condition as when they were entered upon by Tenant, loss by fire, flood, or tornado, and ordinary wear excepted.

B. **Mineral Rights.** Nothing in this Lease shall confer upon Tenant any right to minerals underlying the land. Such mineral rights are hereby reserved by Landlord 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, tanks, pipelines, power lines, and structures as may be necessary or convenient for the above purpose. Landlord agrees to reimburse the Tenant for any actual damage Tenant may suffer for crops destroyed by these activities and to release Tenant from obligation to continue farming this property when development of mineral resources interferes materially with Tenant's farming operations.

C. **Tenant Liability.** Tenant takes possession of the Property subject to the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, or agents in the pursuance of farming operations.

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 Tenant in favor of Landlord, shall be the security for the rent herein specified and for the faithful performance of the terms of the lease. The Tenant shall provide the Landlord with the names of persons to whom the Tenant intends to sell crops grown on these premises at least 30 days prior to the sale of such crops. A lesser period may be allowed by mutual written agreement. Tenant consents to any filing required by law to perfect the statutory landlord's lien upon crops. If the Tenant fails to pay the rent due or fails to keep any of the agreements of this lease, all costs and attorney fees of the Lessor in enforcing collection or performance shall be added to and become a part of the obligations payable by the Tenant.

E. **Indemnification.** Except to the extent of the negligence or willful misconduct of Landlord, or its agents, employees or contractors, Tenant shall hold harmless, indemnify and defend Landlord and its members, agents and employees from all damages, liabilities, penalties, actions, attorney's fees, costs and expenses resulting from or arising out of any of the following: (a) Tenant's occupancy or use of the Property; (b) any accident or other occurrence in the Property arising in connection with Tenant's use of the Property; (c) any violation resulting from an act or omission by Tenant or Tenant's members, stockholders, partners, officers, agents, employees, or invitees, of any law or ordinance in any way related to the Property, including but not limited to Environmental Laws.

F. **Hunting, Fishing and Wildlife Management Activities.** All hunting, fishing, trapping, and all other recreational uses are reserved to the Landlord.

G. **Application of Sludge.** Landlord retains the right to apply sludge from its sewer operation on the Property after the crop is harvested in the fall. Tenant agrees to disc the sludge within ten (10) days after the completion of the application by Landlord, weather permitting, at no cost to Landlord.

## **Article 9. General Provisions**

A. Titles to Articles and sectional headings herein are for information purposes only.

B. The provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

C. This Lease shall be construed, enforced and governed in all respects in accordance with the laws and the statutes of the State of Illinois.

D. The invalidity of any particular term or provisions of the Lease shall not affect the validity of the remaining terms and provisions hereof.

E. No alterations to or modification of the terms or the provisions of this Lease shall be effective unless such alteration or such modification is reduced to writing, and is then properly executed by the parties hereto.

F. This Lease supersedes any prior contract or arrangement between the parties hereto, and represents the complete agreement of the parties hereto.

G. All notices provided by this Lease shall be given in writing (i) either by actual delivery of the notice to the party thereunder entitled, or (ii) by mailing of the notice in the United States mail, first-class postage prepaid, to the address of the party entitled thereto, registered or certified mail, return receipt requested. The notice shall be deemed to be received (i) on the date of its actual receipt by the party entitled thereto and (ii) on the date of its mailing. All notices, demands or other communications to any of the parties to this Lease shall be addressed as described above. The address of any party hereto may be changed by notice to the other party duly served in accordance with the provisions hereof.

H. Any waiver by a party hereto of a breach of any term or condition of this Lease shall not be considered as a waiver of any subsequent breach of the same or any other term or condition hereof.

I. Nothing contained in this Lease shall be deemed or construed as creating a relationship of principal and agent, or of partnership or of joint venture between the parties hereto.

J. Time is of the essence of each and every provision, covenant, and condition herein contained and on the part of Tenant or Landlord to be done and performed.

K. For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

L. Tenant will permit no lien, notice of intention to file lien, or other charges (whether arising out of work of Tenant or any contractor, subcontractor, mechanic, laborer or material man of Tenant or any mortgage, conditional sale, security agreement, chattel mortgage or otherwise) which might be or become a lien or encumbrance or charge upon the Property or any part thereof.

**[Remainder of Page Left Intentionally Blank]**

Executed by the parties hereto as of the day and year first above written.

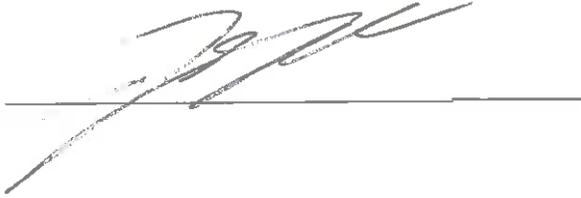
Landlord:

City of Washington, Illinois



\_\_\_\_\_  
Tim Gleason, City Administrator

Tenant:

  
\_\_\_\_\_

## **Exhibit A**

All that part of the West Half of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, lying North of the right-of-way of the T. P. & W. R.R., **EXCEPT** a part thereof described as follows:

Beginning at a point on the North line of said West Half of the Northeast Quarter 363 feet East of the Northwest corner of said Northeast Quarter; thence South 620 feet; thence East 352 feet; thence North 620 feet to the North line of said Northeast Quarter; thence West on said North line 352 feet to the Point of Beginning, Tazewell County, Illinois;

**Except the following-described real estate:**

A part of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, more particularly described as follows:

Commencing at a PK nail found at the Northwest Corner of the said Northeast Quarter of Section 18; thence South 00° 36' 48" West, (an assumed bearing), along the West line of said Northeast Quarter of Section 18, a distance of 40.00 feet, to the Point of Beginning; thence South 89° 40' 33" East, along a line 40.00 feet South of and parallel with the North line of the said Northeast Quarter of Section 18, a distance of 363.20 feet, to the West line of a tract of land as shown in Plat Book "PP", Page 96, in the Tazewell County Recorder's Office; thence South 00° 19' 27" West, along the said West line of the tract of land shown in Plat Book "PP", Page 96, a distance of 600.00 feet; thence North 89° 40' 33" West, a distance of 366.23 feet, to the said West line of the Northeast Quarter of Section 18; thence North 00° 36' 48" East, along the said West line of the Northeast Quarter, a distance of 600.01 feet, to the Point of Beginning, containing 5.024 acres, more or less; situated in the County of Tazewell and State of Illinois.

**Also excepting** the 5.16-acre parcel being rented to the R/C Flyers Club and the 17-foot-wide ingress and egress easement, all as shown on the attached aerial photograph marked "Exhibit 1" and by reference expressly made a part hereof.

Consisting of approximately 41.8 acres of tillable land as shown on the aerial photograph marked "Exhibit 2," attached hereto, and by reference expressly made a part hereof.

**LEASE AGREEMENT  
(R/C Flyers Site)**

THIS INDENTURE OF LEASE made and entered into this 13<sup>th</sup> day of April, 2015, by and between the **CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS**, an Illinois home rule municipal corporation, (hereinafter referred to as “Lessor”) and the **WASHINGTON R/C FLYERS CLUB**, incorporated under the laws of the State of Illinois as an Illinois not-for-profit corporation (hereinafter referred to as the “Lessee”).

**RECITALS**

**WHEREAS**, Lessor owns the real estate commonly known as Farm 2 east of the City of Washington and more particularly described in Exhibit “A” attached hereto, and by reference expressly made a part hereof, and

**WHEREAS**, Lessee wishes to lease a 5.16-acre portion of Farm 2, along with a non-exclusive 17-foot-wide ingress and egress easement, all as shown on the aerial photo marked Exhibit “B,” attached hereto and by reference expressly made a part hereof (hereinafter referred to as the “Premises”).

**WHEREAS**, Lessee intends to use the Premises for a model airplane landing field with related facilities.

**NOW, THEREFORE**, in consideration of the covenants and agreements herein contained, the rentals herein reserved, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and by Lessee, Lessor hereby demises, lets and leases unto Lessee, and Lessee hereby rents and leases from Lessor the Premises upon the following terms and conditions:

**SECTION ONE  
TERM**

The lease term shall commence on April 1, 2015, and shall continue thereafter until March 31, 2025, unless earlier terminated as hereinafter provided. On or before the eighth year of the Lease Agreement, the parties agree to meet and discuss the possible extension of the Lease. This provision shall not be construed to create any obligation on the part of the City to any extensions of this Lease Agreement.

**SECTION TWO  
RENT**

Lessee agrees to pay to Lessor a rental of Five Hundred Forty Dollars (\$540.00) per year for the first three (3) years, payable in a single installment on the 1<sup>st</sup> day of April 2015, and continuing thereafter on the 1<sup>st</sup> day of April of 2016 and 2017. For lease years four (4) through ten (10), the annual rent for each year shall be increased over the prior year’s rent by 3.5 percent, with rental payments being payable in a single installment on the 1<sup>st</sup> day of April, 2018, and thereafter on the 1<sup>st</sup> day of April of each succeeding year until this Agreement shall be terminated as herein provided.

**SECTION THREE  
LESSOR'S RETAINED USE**

Lessor retains the right to use the Premises for any municipal purpose that does not unduly interfere with the use by Lessee of a model airplane landing field, including the use of the ingress and egress easement by Lessor and Lessor's farm tenant.

**SECTION FOUR  
REAL ESTATE TAXES**

Lessee shall pay and discharge when due all real estate taxes that may be due and owing during the term of this lease or any renewal thereof.

**SECTION FIVE  
IMPROVEMENTS, REPAIRS AND MAINTENANCE**

(A) Lessee shall accept the Premises in its current condition and shall repair at its own expense any damage caused by its operations. Lessee shall not install any fixtures or make any alterations, additions, or improvements on the Premises except with the written approval of the Washington City Administrator. Lessee shall submit, in duplicate, a detailed description together with a cost estimate of all capital expenditures to be made at the expense of the Lessee for construction on the property, including paving, and the like and shall not proceed with any project until it is approved in writing by the City Administrator. Before undertaking any work or improvement whatsoever, the Lessee shall, by written notice, advise the City Administrator of its intention to do so by written notice addressed to the City Administrator at the Washington City Hall, 301 Walnut Street, Washington, Illinois 61571, to be transmitted by mail not less than ten (10) days prior to the commencement of work in order that proper notices of non-responsibility may be posted. Lessee shall indemnify and save harmless the City from and against any and all mechanics; and materialmen's liens or other types of liens imposed on the Premises by reason of the contacts, obligations, or activities of the Lessee.

(B) Lessee agrees to keep all improvements, and all equipment and machinery on the Premises in good repair and safe condition, at Lessee's sole expense.

(C) Upon termination of this Lease for any reason, all improvements made by Lessee to the Premises shall be completely removed (except for the gravel roadway installed by Lessee), and the Premises restored to its original condition on the date of this Lease, at Lessee's sole cost and expense. All such removal and restoration shall be completed by Lessee within thirty (30) days of the termination of this Lease. Any personal property or other improvements of Lessee not removed within thirty (30) days following such a termination shall, at Lessor's option, be deemed to be abandoned by Lessee, and Lessor may dispose of same, at Lessee's sole cost and expense.

(D) Lessee shall be responsible for full restitution for crop damages on adjoining lands, if any such damages occur.

**SECTION SIX  
ASSIGNMENT OR SUBLETTING**

Lessee further covenants and agrees that Lessee will neither assign this Lease nor sublet the Premises, or any part thereof, without first obtaining the written consent of Lessor herein, which consent may be withheld for any reason.

**SECTION SEVEN  
INSURANCE**

Lessee shall be responsible for insuring and maintaining insurance on the Premises, commencing with the date of the execution of this Lease. Said insurance shall cover bodily injury in the minimum amount of \$1,000,000 and property damage in the minimum amount of \$100,000, which policy shall name Lessor as an additional insured.

**SECTION EIGHT  
DELIVERY, ACCEPTANCE AND SURRENDER OF PREMISES**

(A) Lessee hereby acknowledges that Lessee has examined and know the condition of the Premises, and Lessee shall place the Premises in good order and repair at Lessee's sole expense and will maintain and keep the Premises in good repair and condition at all times during the term of this Lease, or any renewal thereof, and will keep the Premises in a clean and healthy condition according to the ordinance and regulations of the City of Washington and Tazewell County and all other health and municipal authorities having jurisdiction over the Premises, and Lessee agrees that upon the termination of this Lease in any manner, and likewise upon the termination of any renewal thereof, Lessee will yield up the Premises to the Lessor in good repair and condition.

(B) Lessee shall at all times, in the use and maintenance of the Premises, comply with all federal and state statutes and rules and regulations of all administrative bodies having jurisdiction thereof, whether federal, state or municipal, and Lessee shall at all times save and keep harmless the Lessor from all loss, cost, damage or liability under any federal or state statute, law or regulation or otherwise by reason of any use or maintenance of the Premises or lack thereof on account of any business conducted therein or any part thereof or by reason of any act or acts of negligence of Lessee or its employees or any person or persons occupying Premises, or any part thereof, by, through or under the Lessee or otherwise.

(C) Lessor shall have the right to enter said Premises at any and all reasonable times for the purpose of examining Premises. Lessor shall have the right to make any repairs, alterations, or additions whatsoever to Premises, and it is understood that Lessor has made no covenant or agreement so to do, and Lessee shall not be entitled to claim from Lessor any damage or rebate resulting from the making of such repairs, alterations or improvements. If the Lessee shall fail to make any repairs, alterations or improvements upon the Premises, which Lessee is required to make under the terms of the Lease, Lessor shall have the right to make the same and require the Lessee to pay for the same, provided, however, in such case the Lessor shall have

first notified the Lessee to make the same and Lessee shall have thereafter failed to do so within a reasonable time. Lessee agrees to pay for such alteration, repair or improvements, and Lessor may collect the same from Lessee, and any amount so paid by Lessor shall become due from and be payable by Lessee on the first day of the month following the month in which Lessor made such repairs, alterations or improvements or incurred such costs. In addition to the cost of such repairs, alterations or improvements, Lessee agrees to pay to Lessor all of Lessor's cost and expenses of collecting same, including but not limited to Lessor's costs of collection, court costs, and attorneys' fees, whether incurred for preparation, negotiation, trial, appellate or otherwise.

(D) Lessee agrees that, upon the termination of this Lease Agreement however provided, Lessee shall peacefully yield up to Lessor the Premises, and will remove any and all improvements, fixtures, furnishings, and equipment which Lessee kept or constructed on the Premises.

## **SECTION NINE TENANT'S USE**

(A) Lessee may use the Premises for the operation and flying of model radio-controlled air craft and ancillary club activities from 8:00 a.m. to sundown on Monday through Saturday and noon to sundown on Sunday of each week.

(B) Lessee covenants and agrees they will not suffer or permit the Premises to be used directly or indirectly for any unlawful purpose nor will they allow the use of the consumption of alcohol or illegal drugs on the property.

(C) Only active members of Washington R/C Flyers Club, and guests, accompanied by an active member, may be present on the facility.

(D) Overflight of planes is permissible over property owned by Lessor bounded by the ingress/egress easement on the north, the railroad tracks on the south, and the property lines on the east and west, all as shown on Exhibit "B."

(E) Lessee is not to interfere in any way with farming operations on adjoining property belonging to Lessor, and those farming operations, including spraying of chemicals, planting and harvesting, and use of the ingress and egress easement, shall take precedent over the use of the Premises by Lessee.

(F) Lessee may improve the drive from Cruger Road to the Premises at the location shown on Exhibit "B." The 17-foot easement may include a 12-foot improved roadway, to be improved at the sole expense of Lessee. In addition, Lessee may mow 5-foot shoulders on either side of the 12-foot improved roadway. The improvement of the drive, however, is subject to the provisions of Section Five of this Lease.

(G) Lessee may maintain the following structures on the Premises so long as they are of a non-permanent nature and construction:

- (1) A shelter no larger than 15 feet by 30 feet, which houses an 8 feet by 10 feet storage shed;

- (2) A storage Building no larger than 16 feet by 12 feet;
- (3) A vault toilet; and
- (4) Picnic tables and benches.

Lessee may place no other structure on the Premises but will be allowed to place one 6 feet by 6 feet addition (not to exceed 7' in height) to the storage building referenced in item (2) above to allow for the storage of a generator.

- (H) Lessee shall be responsible for enforcing all ease terms on its membership and permitted guests.

## **SECTION TEN HOLDING OVER**

It is agreed by and between the parties hereto that if Lessee shall hold over after the termination of this Lease with the consent of Lessor, but without a special agreement being entered into in writing by and between Lessor and Lessee, such holding over shall create a month-to-month tenancy and same may be terminated by either party on such notice as may be by law provided for the termination of month-to-month tenancies. All other terms and conditions of this Lease Agreement shall be terms and conditions of said month-to-month tenancy, except the monthly rental shall be Seventy Five Dollars (\$75.00) per month.

## **SECTION ELEVEN RIGHTS AND REMEDIES FOR BREACH**

(A) If Lessee shall default in the payment of rent or in the performance of any other covenant and condition of this Lease, and if Lessee shall continue in default in performing any covenant and condition for a period of fifteen (15) days after receipt of written notice from Lessor to Lessee, specifying the default claimed, then Lessor may, at Lessor's option, re-enter and re-possess said Premises with or without process of law and terminate this Lease; and if at any time said term shall be ended at such election of said Lessor as aforesaid, or in any other way, Lessee does hereby covenant and agree to surrender and deliver up the Premises peaceably to Lessor, immediately upon the termination of said terms aforesaid, and if Lessee shall remain in possession of the same after notice of default as aforesaid, or after the termination of this Lease, or in any of the ways above named, Lessee shall be deemed guilty of a forcible retainer of the Premises under the statute, and shall be subject to all the conditions and provisions named, and to eviction and removal, forcible or otherwise, with or without process of law as above stated.

(B) If either party shall be compelled to incur any expense, including reasonable attorneys' fees, in instituting, prosecuting or defending any action or proceeding instituted by reason of any default of the other party hereunder, the sum or sums so paid by the non-defaulting party, with all interest, costs and damages, including but not limited to attorneys' fees, whether incurred for preparation, negotiation, trial, appellate or otherwise, shall be due from the defaulting party to the non-defaulting party on the first day of the month following the incurring of such respective expenses.

## **SECTION TWELVE INDEMNIFICATION**

Lessee agrees for itself, its successors and assigns, to indemnify and save Lessor and its officers and employees, free, harmless, and indemnified from and against any and all claims by or on behalf of any person, firm, corporation, or other entity, whether private, public or governmental, arising (a) from the conduct or management of, or from any work or thing done on, the property; (b) any breach or default on the part of the Lessee or its successors or assigns in the performance of any of its obligations under this Lease Agreement; (c) any act of negligence of the Lessee or any of its agents, contractors, servants, employees, or licensees; (d) any act of negligence of any assignee, lessee or sub-lessee of the Lessee, or any agents, contractors, servants, employees, or licensees of any assignee, lessee, or sub-lessee of the Lessee; (e) any violation by the Lessee or any other person of state, federal, or local laws, rules, and regulations; (f) any performance by Lessor of any act required hereunder or requested by Lessee or its successors and assigns other than willful misconduct by the Lessor. The Lessee agrees to indemnify and save Lessor free, harmless, and indemnified from and against any and all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon.

## **SECTION THIRTEEN MISCELLANEOUS PROVISIONS**

- (A) **Binding Effect.** This Lease Agreement shall bind the successors and assigns of the parties hereto.
- (B) **Time of Essence.** It is specifically declared that time is of the essence of this Lease.
- (C) **Governing Law.** This Lease Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois.
- (D) **Entire Agreement.** This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated in this Lease Agreement.
- (E) **Modification of Agreement.** Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.
- (F) **Notices.** All notices, demands or other writings in this Lease Agreement provided to be given or made or sent, or which may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

TO LESSOR:           City Administrator

TO LESSEE: City of Washington  
301 Walnut Street  
Washington, IL 61571  
Washington R/C Flyers Club  
Attn: Paul Cobb  
1300 Butternut Court  
Metamora, IL 61548

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

(G) **Paragraph Headings.** The titles to the paragraphs of this Lease are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or add in the interpretation of the provisions of this Lease. The Recitals, however, shall be considered part of the lease and agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date and year first above written.

CITY OF WASHINGTON, IL

WASHINGTON R/C FLYERS CLUB

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its President

Attest:

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Secretary

LESSOR

LESSEE

## EXHIBIT "A"

### Legal Description

All that part of the West Half of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, lying North of the right-of-way of the T. P. & W. R.R., EXCEPT a part thereof described as follows:

Beginning at a point on the North line of said West Half of the Northeast Quarter 363 feet East of the Northwest corner of said Northeast Quarter; thence South 620 feet; thence East 352 feet; thence North 620 feet to the North line of said Northeast Quarter; thence West on said North line 352 feet to the Point of Beginning, Tazewell County, Illinois (commonly known as Farm 2 and consisting of approximately 53.84 acres).

**Except** the following-described real estate:

A part of the Northeast Quarter of Section 18, Township 26 North, Range 2 West of the Third Principal Meridian, more particularly described as follows:

Commencing at a PK nail found at the Northwest Corner of the said Northeast Quarter of Section 18; thence South 00° 36' 48" West, (an assumed bearing), along the West line of said Northeast Quarter of Section 18, a distance of 40.00 feet, to the Point of Beginning; thence South 89° 40' 33" East, along a line 40.00 feet South of and parallel with the North line of the said Northeast Quarter of Section 18, a distance of 363.20 feet, to the West line of a tract of land as shown in Plat Book "PP", Page 96, in the Tazewell County Recorder's Office; thence South 00° 19' 27" West, along the said West line of the tract of land shown in Plat Book "PP", Page 96, a distance of 600.00 feet; thence North 89° 40' 33" West, a distance of 366.23 feet, to the said West line of the Northeast Quarter of Section 18; thence North 00° 36' 48" East, along the said West line of the Northeast Quarter, a distance of 600.01 feet, to the Point of Beginning, containing 5.024 acres, more or less; situated in the County of Tazewell and State of Illinois.