

ORDINANCE NO. 2019-21

ORDINANCE APPROVING FARM LEASE FOR PART OF REAL PROPERTY OWNED BY VILLAGE OF PECATONICA, WHICH PROPERTY IS COMMONLY KNOWN AS "3123 N. PECATONICA, PECATONICA, ILLINOIS, P.I.N. 09-33-151-012

WHEREAS, on July 8, 2019 the Village of Pecatonica did purchase real property commonly known as "3123 North Pecatonica Road, Pecatonica, Illinois", P.I.N. 09-33-151-012 ("Property"); and

WHEREAS, the Property consisted of 13 acres more or less, part of which consists of 8 acres of tillable soil along the north side of the Property adjacent to N. Pecatonica Road, and an outbuilding ("Farm"); and

WHEREAS, the prior owner of the property had a verbal farm lease with Mr. Luke Lilja which permitted the planting, cultivating and harvesting of crops on the Farm; and

WHEREAS, Section 5/11-76-1 of the Illinois Municipal Code (65 ILCS 5/11-76-1) authorizes a municipality to lease municipal owned real estate; and

WHEREAS, the corporate authorities have determined that in order to recoup some of the costs associated with the purchase of the Property the village has the obligation to rent the Farm until such time as the Farm is subdivided from the Property and sold for a higher and best use or is utilized by the village for a public purpose.

NOW BE IT ORDAINED, by the Village President and Board of Trustees of the Village of Pecatonica, Illinois:

Section 1. The above recitals are incorporated as though fully set forth herein.

Section 2. That the farm lease between the Village of Pecatonica, as lessor, and Mr. Luke Lilja, as lessee, a true and accurate copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, is hereby approved and the Village President is hereby authorized to execute same on behalf of the Village of Pecatonica.

Section 3. This ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

PASSED by the President and Board of Trustees of the Village of Pecatonica this \_\_\_\_\_ day of October, 2019.

APPROVED by the President of the Village of Pecatonica, Illinois this \_\_\_\_\_ day of October, 2019.

By: \_\_\_\_\_  
WILLIAM SMULL, Village President  
Village of Pecatonica, Illinois

ATTEST:

\_\_\_\_\_  
GWENN SHIRELY, Village Clerk  
Village of Pecatonica, Illinois

Motion by: \_\_\_\_\_

Seconded: \_\_\_\_\_

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent/  
Abstain: \_\_\_\_\_

EXHIBIT "A"

FARM LEASE – PART OF 3123 N. PECATONICA ROAD, PECATONICA, ILLINOIS

# Illinois Fixed Cash Farm Lease (Short Form for One Year)

Date and names of parties. This lease, bearing the date of \_\_\_\_\_, 2019, is between:

Lessor(s) (Insert Landowner's exact name) Village of Pecatonica, Illinois,

whose mailing address is 405 Main Street, PO Box 730, Pecatonica, IL 61063-0730,

and

Lessee(s) (Insert Tenant's exact name) Mr. Lucas E. Lilja,

whose mailing address is 17180 Sumner Road, Pecatonica, IL 61063.

The Parties to this lease agree to the following lease for the land and length of tenure described in Section 1.

## SECTION 1. DESCRIPTION OF RENTED LAND AND LENGTH OF TENURE

**A. Description of Land.** The Landowner (Lessor) rents and leases to the Tenant (Lessee), to occupy and to use for agricultural purposes only, the following real estate located in the County of Winnebago, and the State of Illinois, and described as follows: that tillable part of P.I.N.09-33-151-012, commonly known as the "3123 N. Pecatonica Road, Pecatonica, Illinois", consisting of approximately eight (8) tillable acres, together with the use of one-half (1/2) of a building adjacent to the tillable acreage ("leased premises") referenced herein belonging to the Lessor.

**B. Length of tenure.** The term of this lease shall be for one (1) year, specifically from \_\_\_\_\_, 2019, to \_\_\_\_\_, 2020. Lessee shall surrender possession at the end of this term or of any extension. Extensions must be in writing and attached to and/refer to, this lease. Tenant hereby waives all rights to Notices to Quit as provided in 735 ILCS 5/9-206 and 5/9-206.1, and Landowner shall not be liable to Tenant for costs and lost profits incurred in seeding crops not harvested by end of the lease term stated herein.

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## SECTION 2. FIXED CASH & USE RENTS

**Fixed Cash & Use Rent.** Tenant agrees to pay Landowner an annual "fixed cash rent" in the following amount: \$185.00 per acre or \$1,200.00. In addition, Tenant shall pay Landowner an annual "use rent" payment in the amount of \$1,000.00 for the right to use half of the building for storage of farming implements only, which building is adjacent to the tillable acreage.

**Cash Rent Installments.** The cash rent and rental use payments shall be paid each year on \_\_\_\_\_, 20\_\_;

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## SECTION 3. INVESTMENT AND EXPENSES OF LESSOR-OWNER AND LESSEE-TENANT

A. The Lessor-Owner agrees to pay

(1) Real Estate Taxes on the land and improvements.

B. The Lessee-Tenant agrees to furnish (1) All the machinery, equipment, labor, fuel, and power necessary to farm the premises, and (2) All other annual inputs to the farming operation, including seed, pest and disease treatments, and fertilizers and limestone.

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## SECTION 4. LESSEE-TENANT'S DUTIES IN OPERATING FARM

A. The Lessee-Tenant agrees:

1. To cultivate the farm in a timely, thoroughly, and businesslike manner, including (a) Preventing, so far as reasonably possible, noxious weeds (defined by Illinois) and other weeds from going to seed and (b) Preventing unnecessary waste, loss or damage.

2. To maintain the soil pH at 6.0 or higher (not to exceed a pH of 6.8) and to maintain soil fertility levels.

3. To implement soil erosion control practices and other conservation measures as may be necessary to comply with any soil loss standards mandated by the local, state and federal agencies and other conservation compliance requirements of federal farm programs.
4. Insurance: For the terms of the lease, Lessee-Tenant shall maintain insurance with a carrier acceptable to the Lessor-Owner, insuring Lessee-Tenant while performing on the premises hereunder for the following types and in stated minimum amounts and naming the Landowner an additional insured:

Liability Insurance:	\$1,000,000.00 per person/\$1,000,000.00 per occurrence
Property Damage:	\$500,000.00 per occurrence
Workers Compensation:	Full Statutory Limits, if applicable

Tenant shall provide Landowner with a copy of the Certificate of Insurance evidencing the above requirements. Tenant shall not cancel said coverages without providing Landowner with thirty (30) days prior written notice of cancellation.

5. To fulfill all other requirements necessary to qualify current and future farm operators to participate in federal farm programs.

**B. The Lessee-Tenant further agrees, unless written consent of the Lessor-Owner is obtained:**

1. Not to Assign this lease to any person or sublet any part of the premises herein leased nor to Permit, encourage, or invite other persons to use any part or all of this property for any purpose or activity not directly related to its use for agricultural production, and
2. Not to burn or bury any materials on the farm nor store or dispose of chemicals or empty chemical containers on the property nor enter into any contract, or other business arrangement that alters rights in the Lessor-Owner's security interest, right of entry, default or possession.

**C. Other Duties:** Tenant shall not permit animals other than dogs and cats on the leased premises.

**D. Hunting Prohibited.** Hunting on the leased premises is prohibited.

## SECTION 5. MANAGEMENT AND BUSINESS PROCEDURES

- A. **Failure to Make Lease Payment.** Failure to make a lease payment by a due date described in Section 2, or failure to make a payment required by a previous lease between the parties, is a "substantial breach" of this lease (See Section 6.A – Termination and Default).
- B. **Data.** Lessee-Tenant shall provide to Lessor-Owner annually the product name, amount, date of application and location of application of all pesticides and fertilizers used on the farm. Invoices/Receipts must be specific to the farm unit identified in this lease.

## SECTION 6. DEFAULT, POSSESSION, ATTORNEY FEES, OTHER MATTERS

- A. **Termination upon default.** If either party fails to carry out substantially the terms of this lease, the lease may be terminated by the other party by serving a written notice citing the instance(s) of default and specifying a termination date of 3 days from the date of such notice. Settlement shall then be made in accordance with the provisions of Clause B of this section, and any amendments to this lease.
- B. **Yielding possession.** The Lessee-Tenant agrees at the expiration or termination of this lease to yield possession of the premises to the Lessor-Owner without further demand or notice, in as good order and condition as when they were entered upon by the Lessee-Tenant, loss by fire, flood, or tornado, and ordinary wear excepted. If the Lessee-Tenant fails to yield possession, the Lessee-Tenant shall pay to the Lessor-Owner a penalty of \$100.00 per day for each day he/she remains in possession thereafter, in addition to any damages caused by the Lessee-Tenant to the Lessor-Owner's land or improvements. These payments shall not entitle the Lessee-Tenant to any interest of any kind in or on the premises.
- C. **Attorney Fees.** All costs and attorney fees of the Lessor-Owner in enforcing collection or performance shall be added to the obligations payable by the Lessee-Tenant.
- D. **Lessor-Owner's right of entry.** The Lessor-Owner reserves the right personally or by its officers, agents, employees, or assigns to enter upon the premises at any reasonable time to view them, work or make repairs or improvements thereon, take soil tests, take of make any other site assessments deemed necessary, survey, or develop mineral resources.

- E. **Lessor-Owner liability.** The Lessee-Tenant acknowledges the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, or agents in pursuance of farming operations, or in performing repairs on improvements.
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### SECTION 7. LEASE TERMINATION PRIOR TO END OF TERM

- A. **Lessor Breach.** In addition to all other claims and rights under the law, in the event Lessor materially breaches the Lease, Tenant shall be entitled to return of the pro rata unused portion of the fixed cash rent and use rent payments.
  
  - B. **Tenant Breach.** In addition to all other claims and rights under the law, in the event Tenant materially breaches the Lease Tenant forfeits all right to the fixed cash rent and use rent payments.
  
  - C. **Lessor Sells the Leased Premises.** In event Lessor sells the leased premises, Tenant shall be entitled to the return of the pro rata unused portion of the fixed cash rent and use rent payments. In the event that Tenant is unable to harvest crops due to the sale of the leased premises, Lessor shall reimburse Tenant for the cost of seed, pesticides and fertilizer applied to the leased premises and the net profit of crops on the leased premises.
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**Signatures of parties to lease:**

Village President	<i>Lessor</i>		<i>Date</i>
Village of Pecatonica, Illinois, <i>Lessor</i>			
Village Clerk	<i>Attest</i>		<i>Date</i>
	<i>Tenant</i>		<i>Date</i>
	<i>Tenant</i>		<i>Date</i>