2019 CASH RENT LEASE

BETWEEN

Town of Cortland
LANDLORD

and

Steve J Swanson
TENANT

From 3/1/19 to 2/29/20

CASH FARM LEASE

This lease is entered into the 1st day of March 2019 between **Town of Cortland**, Landlord, and **Steven J. Swanson**, Tenant.

The Landlord, in consideration of the agreements set forth in this lease to be kept and performed by the Tenant, rents and leases to the Tenant, to occupy and to use for agricultural purposes only, the following real estate located in the County of DeKalb and State of Illinois, described as follows:

> All that part of the Northeast Quarter (NE ¼) of Section 28 and all that part of the Northwest Quarter (NW ¼) of Section 27 lying Northerly of the Northerly right-of-way line of the Union Pacific Railroad (formerly the Chicago & Northwestern Railroad).
>
> The South Half (S ½) of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 22. The South Half (S ½) of the Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of Section 23. The West Half (W ½) of the Northwest Quarter (NW ¼) of Section 26, excepting therefrom the South 28 acres thereof.
>
> The Northeast Quarter (NE ¼) of Section 27, excepting therefrom the South 58.5 acres thereof, and also excepting therefrom all that part of said Northeast Quarter (NE ¼) lying Easterly and Southerly of the centerline of Union Ditch No. 1 and Westerly of the centerline of Airport Road.
>
> Excluding the acreage sold to the Town of Cortland - That part of the NE ¼ of Section 28 and the NW ¼ of Section 27 described as follows: Beginning at the North Quarter corner of Section 28; thence East along the North line of the Northeast ¼ of Section 28 a distance of 1300 feet; thence South perpendicular to said North line a distance of 1075 feet; thence East parallel with the North line of the Northeast ¼ of Section 28 to a point that is 690 feet measured perpendicularly and Southwesterly from the centerline of the natural gas pipeline easement of Guardian Pipeline, LLC; thence Southeasterly parallel with the centerline of the natural gas pipeline easement of Guardian Pipeline, LLC to a point that is 325 feet measured perpendicularly and Northeasterly from the right-of-way of the Union Pacific Railroad (formerly Chicago Northwestern Railroad); thence Southwesterly perpendicular to said right-of-way a distance of 325 feet to said right-of-way; thence Northwesterly along said right-of-way to the West line of the Northwest ¼ of Section 28; thence North along the West line of the Northwest ¼ of Section 28 to the point of beginning; all situated in Township 40 North, Range 5, East of the Third Principal Meridian, in the County of DeKalb, in the State of Illinois, containing an area of 70 acres, more or less.

consisting of approximately **344.397 surveyed** acres, together with buildings and improvements (belonging to the Landlord) on the property, excluding the north dwelling, yard and garage; and south dwelling, yard and garage.

The terms of this lease shall be binding on the heirs, executors, administrator. and

assigns of both Landlord and Tenant in like manner as upon the original parties, except by mutual agreement otherwise.

SECTION 1. AMOUNT OF RENT AND TIME OF PAYMENT.

The Tenant agrees to pay the Landlord as annual cash rent for the above-described farm the sum of $85,202, which shall be paid as follows:

$85,202.00 due on or before March 1, 2018.

Rent is calculated as approximately 327.7 acres tillable land at $260 per acre. Payment is to be made at Town of Cortland Office. 59 S Somonauk Rd., Cortland

SECTION 2. LANDLORD'S INVESTMENT AND EXPENSE.

Landlord agrees to pay taxes.

SECTION 3. TENANT'S INVESTMENT AND EXPENSES.

The Tenant agrees to furnish the property and to pay the items of expenses described below:

A. All machinery, equipment, fuel and labor necessary to operate the farm properly.
B. The taxes and insurance as he elects to carry on property owned by him.
C. All operating expenses or the portion of expenses not furnished or paid by the Landlord as provided in this lease.
D. Obtain liability insurance of at least $1,000,000 and provide the Landlord or his Agent with a copy of the declaration page of this policy.
E. Electric fence units are owned by Tenant.

SECTION 4. TENANT'S DUTIES IN OPERATING FARM.

In addition to the agreements covered by the foregoing articles of this lease, the Tenant further agrees that he will perform and carry out the stipulation represented in the following clauses:

A. To faithfully cultivate the farm in a timely, thorough, and businesslike manner.

B. Not to assign this lease to any person or persons or sublet any part of the premises without the written consent of the Landlord.
C. To keep the buildings, fences, and other improvements on said premises in as good repair and condition as they may be put by the Landlord during the term of the lease, ordinary wear, loss by fire, or unavoidable destruction excepted.
D. To take proper care of all trees, vines and shrubs, and to prevent injury to the same.
E. Not to cut live trees except by permission of the Landlord.
F. Not to allow noxious weeds to go to seed on said premises, but to destroy the same and keep the sprouts, brush, weeds and grass cut on the roads adjoining the land as often as needed each year.
G. To investigate and report any broken tile and keep outlets open. Tenant shall not operate tillage equipment through grass waterways, or other low places that will permit open ditches eroding across fields.
H. To prevent all unnecessary waste, or loss, or damage to the property of the Landlord.
I. The Tenant agrees to follow such crop rotation, tillage practices, fertilizer programs, conservation measures, and arrangements as are worked out with the Landlord or his Agent, for the best interest of all concerned
J. To keep the farm neat and orderly.

SECTION 5. MANAGEMENT AND BUSINESS PROCEDURES.

The Landlord and Tenant agree that they will observe the following provisions:
A. Except when mutually decided otherwise, the land use and cropping system shall be approximately as follows:

327.700 acres to be used for rotated crops — More or less on all acreage
16.697 acres in buildings and lots, roads and waste — Except for 40X80 storage bldg. Picture attached

B. If Town terminates Lease after Tenant has prepared the property for farming, and Town agrees to reimbursement for dry ag lime Tenant used to prepare for farming, the Town will reimburse Tenant at no more than $20.00 per acres.

SECTION 6. DEFAULT, COMPENSATION FOR DAMAGE, METHOD OF SETTLEMENT ARBITRATION, RIGHT OF ENTRY

A. Tenant is not to erect or permit to be erected upon said premises, any structure, building, fence or sign of any kind whatsoever, except by the written consent of the Landlord, nor to purchase any materials or incur any expenses for the account of the Landlord without his approval and will not make a claim for labor at any time unless Landlord has given written permission at a previous date.

B. Tenant is not to add electrical wiring, plumbing or heating without permission of the Landlord, and when same is given such is to pass inspection of both power and insurance companies. Said additions shall immediately become part of the property against which the Tenant will have no further claim unless otherwise agreed in writing.

C. Nothing in this lease shall confer upon the Tenant any right to minerals underlying said land or any part thereof, but the same are hereby expressly reserved by the Landlord together with the full right and liberty to them, to enter upon the premises and to bore, search and excavate for same, to work and remove the same, and to deposit excavated rubbish, and with full liberty to pass over said premises with vehicles and lay down and work any such railroad track or tracks, tanks, pipe lines, powers and structures as may be necessary or convenient for the above purpose. Said Landlord, however, agrees to deduct from the annual rent, pro-rata, for the land so taken by him or his assigns for said uses when the rental of such land is cash, and to reimburse the said Tenant for any actual damage he may suffer for crops destroyed where such land is on grain rent and to release Tenant from obligation to continue farming this property when development of resources interferes materially with Tenant's ability to make a satisfactory return.

D. Landlord shall in no way be liable in damages for failure of water supply or for any damage by the elements or otherwise, to any of the improvements, nor for any loss or damage while improvements are under construction or repair, nor for any failure to repair or alter or replace any buildings or improvement.

E. Tenant takes possession of the leased premises subject to the hazards of operating a farm, and assumes all risk of accidents to himself, his family, his employees, or agents in pursuance of his farming operations, or in performing repairs to the buildings, fences and other improvements.

F. Right of Entry - The Landlord or his Agent shall be entitled to free access to the premises at all times and may make any repairs and improvements thereon. If this lease is terminated, the Landlord or his Agent shall be entitled to fall till, fertilize or otherwise prepare the ground and plant in proper season for the following year's crops.

G. The Landlord's lien provided by law shall be the security for the rent herein specified. If the Tenant shall, from any cause, fail to comply with all his agreements herein, the Landlord may at any time when such failure occurs after giving five days written notice of his intention to do so, take active possession of said premises and buildings thereon which the Tenant agrees to surrender, and employ other persons to tend said crop and perform all the agreements of the Tenant as herein contained as fully as the same are contemplated in this agreement and after deducting all monies advanced, or monies or grain due for the rent and the expense of attending such crop as aforesaid, to pay the residue, if any, to the Tenant. If the Tenant shall fail to pay the cash rent and advances, or shall fail to keep any of the agreements of this lease, all costs and attorney's fees of the Landlord in enforcing collection or performance, shall be added to and become a part of the obligations payable by the Tenant hereunder.

H. Yielding Possession - The Tenant agrees that at the expiration of the term of this lease, he will yield up possession of the premises to the Landlord without further demand or notice, in as good order and condition as when same were entered upon by the Tenant, loss by fire or tornado, and ordinary wear excepted. The Tenant shall pay to the Landlord a reasonable compensation for any damage to the property above the aforementioned exceptions.

SECTION 7. ENVIRONMENTAL CONCERNS.

A. The Tenant is to use prudence and care in transporting, storing, handling, and applying all fertilizers, pesticides, herbicides, and other chemicals and similar substances, and to read and follow instructions on the labels for the use of such materials in order to avoid injury or damages to persons or property or both on the leased premises and adjoining areas.

B. Any chemicals for weed or insect control or other use, when used, should be applied at levels not to exceed the manufacturer's recommendation for the soil types involved. The Tenant agrees to provide the Landlord annually, a written report indicating the product name, amount, date of application and location of application of all pesticides and fertilizers used on the farm.

C. No chemicals will be stored on the property. When chemicals or petroleum products are on the farm, they will be only those planned to be used on the farm and they will be in closed, tight containers above ground and clearly marked. No chemicals or chemical containers will be disposed of on the property.

D. Both Landlord and Tenant affirm the goals of minimizing soil erosion losses and preserving the productivity of the land in ways that are consonant with their needs and desires for acceptable current returns to their individual inputs on the leased premises. To these ends they agree to implement as far as possible the best management practices recommended by the NRCS and to cooperate with that agency's soil and water conservation programs.

E. No sewage, sludge lime, or sludge to be applied to the farm except as landlord deems appropriate.

SECTION 8. ADDITIONAL AGREEMENTS

A. Tenant will certify acres at DeKalb County FSA Office.

B. It is understood that this is a one-year lease and no termination notice is needed.

C. No hunting or shooting allowed on property. No subleasing of any acreage to hunters, hunt clubs, etc.

D. East building site and outer area around main farm south buildings, roadsides, and lanes to be mowed regularly to the best of Tenant's ability.

E. Tenant has been compensated for crop losses on Guardian Pipeline area. Any other income from pipeline easements, settlements, etc. go to Owner. Owner has exclusive right to negotiate pipeline crop damages and to verify actual crop losses. Tenant will <u>not</u> negotiate with pipeline company for any claims on his own accord.

In Witness Whereof, we affix our signatures this 1 day of March, 2019.

TENANT

Steven J Swanon

Russell C. Stokes, Mayor

ATTEST:

Cheryl Aldis, Town Clerk