

CITY OF HILLSDALE, MICHIGAN
ADVERTISEMENT FOR BIDS
For
Airport Land Lease

The City of Hillsdale will receive sealed bids at the Office of the City Clerk, Hillsdale City Hall, 97 N. Broad Street, Hillsdale, Michigan 49242 **until 10:00 a.m. on September 11, 2018** for the leasing of approximately 213.32 acres of tillable land at the Hillsdale Municipal Airport to be used for the growing of crops during the period from January 1, 2019 through December 31, 2021. Harvesting of crops is subject to payment of any and all property taxes.

A copy of this Advertisement, the Bid Form and the form of the lease agreement that is to be entered pursuant to this advertisement are available at the Office of the Hillsdale City Clerk, Hillsdale City Hall, 97 N. Broad Street, Hillsdale, Michigan 49242. The bid, when submitted, shall have attached to it a copy of the form of the contract that is to be entered, which shall be deemed to have been read and approved and made a part of the bidder's proposal.

No bid will be accepted after the time designated for the receipt of bids set forth above. Each bidder shall and will be fully and solely responsible for delivery of the bid prior to the appointed date and hour designated for the receipt of all bids, and shall assume the risk of late delivery or non-delivery regardless of the manner the bidder employs for the bid's delivery or the reason for such late delivery or non-delivery.

The City of Hillsdale reserves the right to reject any and all bids and to waive any defects or informalities in bids, to accept the bid that it determines to be the highest competitive bid from a competent bidder and to negotiate with the bidder or bidders who, in the judgment of the Hillsdale City Manager, are deemed the most advantageous for the public and the City.

The City of Hillsdale hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full opportunity to submit bids to this invitation and will not be discriminated against on grounds of sex, race, color, age, weight, height, marital status, religion or national origin in the consideration for an award.

Date: August 24, 2018

Stephen M. French –City Clerk

LEASE AGREEMENT

This Lease Agreement is entered on _____ ,
2015 between the City of Hillsdale, a Michigan Municipal corporation, of 97 N. Broad
Street, Hillsdale, Michigan 49242 (Hillsdale) and _____ of
_____.

Preamble: Hillsdale is the owner of certain land located in Adams Township, Hillsdale
County, Michigan which is depicted and identified with particularity in the attached Exhibits
(A and B) and consists of a total of approximately 217.82 acres (the "Acreage"). The Acreage
is not currently being used or required by Hillsdale for any of its operations.

_____ is desirous of leasing the Acreage for the purpose of
raising crops on it and Hillsdale is willing to lease the Acreage to _____
for the proposed purpose on the terms and conditions hereinafter set forth.
_____ is willing to lease the Acreage from Hillsdale on that basis.

Therefore, Hillsdale and _____, in consideration of
the following mutual covenants and promises, agree as follows:

Agreement:

1. _____ is hereby granted a lease on and the exclusive
use and control of the Acreage for the purpose of planting, growing and

harvesting crops on and from the Acreage, and for no other purpose, subject to its compliance with the remaining terms, conditions and restrictions of this Lease Agreement.

2. The term of this Lease Agreement is three (3) years, commencing January 1, 2019 and ending December 31, 2021

3. Except as otherwise hereinafter provided, _____ shall have the exclusive use and control of the Acreage during the term of this Lease Agreement for the stated purpose, subject to the remaining terms, conditions and restrictions as are hereinafter provided, all of which are hereby deemed and acknowledged by the parties to be material.

4. _____ shall pay Hillsdale the total sum of _____ (\$ _____) Dollars in the following installments: _____ (\$ _____ Dollars on January 1, 2019; the sum of _____ (\$ _____ Dollars on January 1, 2020 and the sum of _____ (\$ _____ on January 1, 2021.

5. _____ acknowledges that Hillsdale Airport utilizes and, during the term of this Lease Agreement, will continue to utilize a portion of the Acreage for the operation of its AWOS equipment in connection with its airport operations. With regard to said AWOS equipment, _____ and Hillsdale agree that during the term of this Lease Agreement:

- A. _____ shall keep the area within a 100-foot radius of Hillsdale Airport's AWOS equipment free of all crops, structures, farm implements, vehicles or other equipment or items of any kind without regard to size or duration of use;
- B. _____ shall neither plant nor raise any crops, or place, use or maintain any structures, farm implements, vehicles or other equipment or items of any kind that exceed Fifteen Feet (15') in height within a 500 foot radius around Hillsdale Airport's AWOS equipment;

C. _____ shall comply with all applicable FAA regulations and requirements;

D. _____ shall allow Hillsdale free and unfettered ingress to and egress from the area within a 100 foot radius of Hillsdale Airport's AWOS equipment for the purpose of mowing, inspecting and maintaining same;

E. _____ shall allow Hillsdale free and unfettered ingress to and egress from Hillsdale Airport's AWOS equipment for the purpose of inspecting, maintaining, repairing and/or replacing said equipment or any upgrades or improvements thereof; provided, however, that Hillsdale shall utilize a route to and from said equipment that minimizes damage to any growing crops on the Acreage and/or interference with _____'s farming operation thereon.

6. _____ agrees to have all crops removed from the Acreage not later than midnight on December 31, 2018. In the event that all crops are not removed from the Acreage by said date and time, the crops then remaining shall become the property of Hillsdale, and Hillsdale shall have the sole and exclusive right to them together with any resulting proceeds as liquidated damages.

7. In the event Hillsdale, in its sole discretion, determines that the Acreage, or any portion thereof is needed for airport purposes prior to the expiration of this Lease Agreement, in addition to that which is presently reserved or restricted to Hillsdale's use for and of its AWOS equipment, this Lease Agreement shall become void and of no effect as to the portion so required upon written notification to _____ Possession of such required portions shall be immediately surrendered except as otherwise provided in paragraph 8B.

8. In the event of termination or partial termination of this Lease Agreement pursuant to paragraph 7:

A. As to crops not yet ready to harvest at the time of termination, Hillsdale agrees to and shall reimburse _____ for any actual reasonable and verified out-of-pocket expenses that

_____ has incurred in connection with renting, fertilizing, seeding, spraying or cultivating the portion of the Acreage included within the termination since the immediately preceding December 31, but excluding any charges for labor or custom work; provided, however, that the total reimbursement to be paid to _____ pursuant to this paragraph shall not exceed the lesser of:

i. The annual lease payment received by Hillsdale for the year in which termination occurs; or

ii. The actual, verified out-of-pocket expenses incurred by _____ Since the immediately preceding December 31 that are attributable to the affected portion of the Acreage; or

iii. The percent of the total actual, verified out-of-pocket expenses incurred by _____ with regard to all of the Acreage since the immediately preceding December 31 that is computed by dividing the acres within the terminated portion by the total Acreage.

B. As to crops ready to harvest at the time of termination, Hillsdale agrees to provide _____ an opportunity to remove said crops within a time period not exceeding thirty days from the date upon which notice is given. There shall be no reimbursement paid to _____ for any portion of its out-of-pocket expenses in this event. Should _____ fail to remove all of said crops within said thirty-day period, Hillsdale shall have the sole and exclusive right to enter upon the affected acreage, harvest and sell the crops then remaining thereon and retain all proceeds as liquidated damages.

9. _____ agrees to and shall defend, indemnify, and hold Hillsdale harmless from all claims, demands, causes of action, lawsuits, damages, costs, expenses and losses or whatever kind or nature arising from, out of or because of any acts and omissions of _____, his employees, agents, licensees and/or invitees in connection with his or their occupation and/or use of the Acreage.

10. _____ shall obtain and maintain a policy of insurance with such insurance carrier and with such limits of liability and coverage as is

acceptable to Hillsdale in which Hillsdale is identified as an additional named insured. A copy of such insurance policy and the applicable declaration sheet and proof of each renewal thereof shall be provided to Hillsdale as a prerequisite to the continuance of this Lease Agreement.

11. _____ agrees that it shall maintain and utilize the Acreage in accordance with good and sound farming practices during the term of this Lease Agreement and shall return the Acreage to Hillsdale in at least as good a condition as when taken.

12. In addition to the lease payments provided for in paragraph 4, _____ shall also promptly pay when and as due all taxes, assessments, fees or charges that might be levied upon the Acreage that is covered by this Lease Agreement. _____ further agrees to and shall keep the Acreage free from liens of any kind or nature.

13. _____ agrees to and shall be solely responsible for applying for and pursuing the acquisition of any tax exemptions that might be applicable.

14. Unless otherwise agreed in writing between the City of Hillsdale and _____ shall not use, permit suffer the use of the Acreage for recreational activities of any kind, including but not limited to, horseback riding, the riding or operation of all-terrain or other off-road vehicles of any kind, hunting, or for any purpose other than the planting, growing and harvesting crops on and from the Acreage.

15. In the event of default by _____ Hillsdale shall provide written notice to him. Should said default remain uncured for a period of

thirty (30) days Hillsdale shall be and is hereby granted the right to terminate this Lease Agreement. In the event of termination pursuant to this paragraph, all crops then planted and/or growing thereon shall become the property of Hillsdale and Hillsdale shall thereupon have the right to enter upon the Acreage at such times as it determines appropriate, remove and sell any crops then and/or thereafter growing thereon, and retain any proceeds from their sale as liquidated damages.

16. In addition to all other remedies and relief, _____ shall be responsible for all consequential damages and for all of Hillsdale's actual attorney fees and costs as are incurred by it as a consequence of _____ 's default, the actions needed to terminate this Lease Agreement in accordance with applicable law and/or to enforce the provisions of same.

17. Neither this Lease Agreement nor any interest in or under it may be assigned by _____ to any other person, firm or corporation.

18. This Lease Agreement is hereby declared binding upon the successors, heirs and/or assigns of each party.

IN WITNESS WHEREOF, the parties have affixed their hands.

Witnessed by:

CITY OF HILLSDALE

Adam Stockford, Mayor

Stephen M. French, Clerk
