

LEASE AGREEMENT

This Lease Agreement is entered on _____, 2018 between the City of Hillsdale, a Michigan Municipal corporation, of 97 N. Broad Street, Hillsdale, Michigan 49242 (Hillsdale) and _____ (Tenant) 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 213.32 acres (the "Acreage"). Except as otherwise stated in this Agreement, the Acreage is not currently being used or required by Hillsdale for any of its operations.

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

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

Agreement:

1. Tenant is hereby granted a lease on and, except as otherwise provided in this Agreement, 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 his compliance with the remaining terms, conditions and restrictions of this Agreement.

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

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

4. Tenant shall pay rent to Hillsdale in the total sum of _____ Dollars (\$0.00) in the following installments: _____ Dollars (\$0.00) on January 1, 2019; the sum of _____ Dollars (\$ 0.00) on January 1, 2020 and the sum of _____ Dollars (\$ 0.00) on or before January1, 2021.

5. Tenant 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, Tenant and Hillsdale agree that during the term of this Agreement:

- A. Tenant 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. Tenant 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. Tenant shall comply with all applicable FAA regulations and requirements;
- D. Tenant 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. Tenant 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 Tenant's farming operation thereon.

6. Tenant agrees to have all crops removed from the Acreage not later than midnight on December 31, 2021. 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, including the right to enter upon the affected acreage, harvest and sell the crops then remaining thereon, and retain all 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 or for other purposes prior to the expiration of the term of this Agreement, in addition to that which is presently reserved or restricted to Hillsdale's use for and of its AWOS equipment, this Agreement shall become void and of no effect as to the portion so required upon written notification to Tenant. 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 Tenant for any actual reasonable and verified out-of-pocket expenses that Tenant has incurred in connection with renting, fertilizing, seeding, spraying or cultivating the portion of the Acreage included within the termination notice, to the extent such expenses were incurred in the period from the immediately preceding December 31 through the date of the termination notice, but excluding any charges for labor or custom work; provided, however, that the total reimbursement to be paid to Tenant 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 Tenant. 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 Tenant 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 Tenant an opportunity to remove said crops within a time period not exceeding thirty days from the date upon which notice of termination is given. There shall be no reimbursement paid to Tenant for any portion of his out-of-pocket expenses in this event. Should Tenant 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. Tenant agrees to and shall defend, indemnify, and hold Hillsdale harmless from and against any and all claims, demands, causes of action, lawsuits, damages, costs, expenses and losses, of whatever kind or nature whatsoever, arising from, out of, or because of any acts and/or omissions of Tenant, his employees, agents, contractors, licensees, and/or invitees in connection with his or their occupation and/or use of the Acreage.

10. Tenant shall obtain and maintain such policies of insurance with such insurance carrier(s) and with such limits of liability and coverage as is acceptable to Hillsdale and in which Hillsdale is identified as an additional named insured. A copy of such insurance policies and the applicable declaration sheet and proof of each renewal thereof shall be provided to Hillsdale as a prerequisite to the continuance of this Agreement.

11. Tenant agrees that during the term of this Agreement he shall maintain and utilize the Acreage in accordance with good and sound farming practices in conformity with generally accepted agricultural and management practices and at all times pursuant to and in conformity with all applicable state, federal, and local laws, ordinances, and regulations. Tenant further agrees that he shall not commit or suffer to be committed any waste upon the premises or any nuisance or other act or thing outside the normal course of the operation of his farming activities. At the conclusion of the term of this Agreement or otherwise upon its termination, Tenant shall return the Acreage to Hillsdale in at least as good a condition as when taken.

12. In addition to the rent payments provided for in paragraph 4, Tenant 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 Agreement, and shall otherwise promptly pay all costs and expenses relating to his operations on the premises throughout the term of this Agreement, and Hillsdale shall have no responsibility of any kind for such costs or expenses. Tenant further agrees to and shall keep the Acreage free from liens of any kind or nature.

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

14. Unless otherwise agreed in writing between Hillsdale and Tenant, Tenant shall not use, permit, or 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 of crops on and from the Acreage.

15. Each of the following shall constitute an "event of default" by Tenant under this Lease:

A. If Tenant shall fail to pay the rent, taxes, or other amounts to be paid by him for more than fifteen (15) days after written notice to Tenant that said amount has not been paid; or

B. Tenant's failure to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than thirty (30) days after written notice to Tenant thereof; or

C. The making by Tenant of any general assignment for the benefit of creditors; or should there be filed by or against Tenant a petition to have him adjudged a bankrupt or petition for reorganization or arrangement under any law relating to bankruptcy, (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days); or should an appointed trustee or receiver take possession of substantially all of Tenant's assets at the premises, or of Tenant's interest in this Agreement, where possession is not restored to him within ninety (90) days; or should substantially all of Tenant's assets at the demised premises or his interest in this Agreement have been attached or judicially seized, where the seizure is not discharged within ninety (90) days; or

D. If Tenant shall abandon the premises for a period of forty-five (45) consecutive days, or suffer this Agreement to be taken under any writ of execution where such taking is not contested and discharged by him.

16. In the event of default by Tenant in the performance of any of his obligations under this Agreement, Hillsdale shall provide written notice and demand to cure to him by hand delivery or by first class mail addressed to him at the address listed in the opening paragraph of this Agreement, in which the nature of the default shall be specified. Should said default remain uncured for the period provided for in Paragraph 15, above, or otherwise for a period of thirty (30) days from the date of the delivery or the mailing of the written notice, Hillsdale shall be and is hereby granted the right to immediately terminate this 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. Waiver of any default or Hillsdale's election not to require cure of any default shall not constitute a waiver of any future default by Tenant of his obligations under this Agreement.

17. In addition to all other remedies and relief, Tenant 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 Tenant's default, the actions needed to terminate this Agreement in accordance with applicable law, and/or to otherwise enforce its provisions.

18. Neither this Agreement nor any interest in or under it may be assigned by Tenant to any other person or entity. Hillsdale has the right to freely assign its rights and delegate its duties under this Agreement to any purchaser or other successor of its interests as the owner of the property that is the subject of this Agreement.

19. This Agreement is hereby declared binding upon the successors, heirs, and/or permitted assigns of the respective parties.

20. This Agreement and the exhibits attached hereto set forth all of the covenants, promises, agreements, conditions, and understandings between Hillsdale and Tenant concerning the premises and there are no other covenants, promises, agreements, conditions, or understandings, either oral or written, between them. All prior communications, negotiations, arrangements, representations, agreements, and understandings between the parties hereto, and their respective representatives, whether oral, written, or both, are merged into this Agreement and extinguished, this Agreement superseding and canceling the same. No changes, additions, or interlineations made to this Agreement shall be binding unless initialed by each of the parties. Except as otherwise provided in this Agreement, no subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon Hillsdale or Tenant, unless reduced to writing and executed by both parties.

IN WITNESS WHEREOF, the parties have affixed their hands.

CITY OF HILLSDALE

TENANT

Adam Stockford, Mayor

Tenant

Stephen M. French, Clerk

STATE OF MICHIGAN)

)ss.

County of Hillsdale)

On this _____ day of _____ 2018, before me a Notary Public in and for said County and State, personally came the above named _____, to me known to be the Mayor and Clerk of the City of Hillsdale, respectively, and the same persons described in and who executed the within instrument, who acknowledged the same to be within their authorized authority and their free act and deed.

Notary
Hillsdale County, Michigan
My Commission Expires:

STATE OF MICHIGAN)

)ss.

County of Hillsdale)

On this _____ day of _____ 2018, before me a Notary Public in and for said County and State, personally came the above named _____, to me known to be the same persons described in and who executed the within instrument, who acknowledged the same to be their free act and deed.

Notary
Hillsdale County, Michigan
My Commission Expires: