

LEASE AGREEMENT

This Lease Agreement is entered on _____ 2018 between the City of Hillsdale, a Michigan Municipal corporation, of 97 N. Broad Street, Landlord, Michigan 49242 (Landlord) and _____, Michigan (Tenant).

Landlord is the owner of certain land located in the City of Hillsdale, Hillsdale County, Michigan, which is depicted and identified with particularity in the attached Exhibit A and consists of a total of approximately one hundred fifty-six (156.32) acres (the "Acreage"). The Acreage is not currently being used or required by Landlord for any of its operations.

Tenant is desirous of leasing the Acreage for the purpose of raising crops on it and Landlord 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 Landlord on that basis.

Therefore, Landlord and Tenant, in consideration of the following mutual covenants and promises, agree as follows:

Agreement:

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

5. 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 Landlord, and Landlord 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 damage.

6. In the event Landlord, in its sole discretion, determines that the Acreage, or any portion thereof is needed for industrial park purposes prior to the expiration of this Lease Agreement, this Lease 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 7B.

7. In the event of termination or partial termination of this Lease Agreement pursuant to paragraph 6:

A. As to crops not yet ready to harvest at the time of termination, Landlord 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 since the immediately preceding January 1, 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 Landlord for the year in which termination occurs; or

ii. The actual, verified out-of-pocket expenses incurred by Tenant since the immediately preceding January 1 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 January 1 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, Landlord agrees to provide Tenant 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 Tenant for any portion of its out-of-pocket expenses in this event. Should Tenant fail to remove all of said crops within said thirty-day period, Landlord 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.

8. Tenant agrees to and shall defend, indemnify, and hold Landlord 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 Tenant, his employees, agents, licensees and/or invitees in connection with or arising from his or their presence on, occupation and/or use of the Acreage.

9. Tenant shall obtain and maintain a policy of insurance with such insurance carrier and with such limits of liability and coverage as is acceptable to Landlord in which Landlord 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 Landlord as a prerequisite to the continuance of this Lease Agreement.

10. Tenant agrees that he 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 Landlord in at least as good a condition as when taken.

11. In addition to the lease 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 Lease Agreement. Tenant further agrees to and shall keep the Acreage free from liens of any kind or nature.

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

13. Landlord reserves that right to enter upon the Acreage for the purpose of applying sewage sludge to the Acreage; provided, however, that no such applications may be performed at a time or in a manner that disrupts or interferes with Tenant's farm operation on said Acreage.

14. Unless otherwise agreed in writing between the Landlord 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 crops on and from the Acreage.

15. In the event of default by Tenant in the performance of any of his obligations under this Lease Agreement, Landlord shall provide written notice and demand to cure to Tenant in which the nature of the default is specified. Should said default remain uncured for a period of thirty (30) days Landlord 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 Landlord and Landlord 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 Landlord'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 Lease Agreement.

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

17. Neither this Lease Agreement nor any interest in or under it may be assigned by Tenant 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.

LANDLORD

CITY OF HILLSDALE

TENANT

Adam Stockford, Mayor

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: