

**MBS INTERNATIONAL AIRPORT
AGRICULTURAL LEASE
BID DOCUMENT**

May 3, 2023

MBS International Airport is taking bids to farm approximately 412 total acres of airport property inside the security fence and approximately 1,195 total acres of airport property outside the security fence. There are 10 plots total up for individual bid. The attached drawings depict the details of the plots.

The base lease term is 5 years with separate bid rate for year 1 versus years 2 through 5 due to the shortened planting season available in year 1. An annual 3% increase in the lease rate will become effective January 1, 2026, through December 31, 2028.

There will also be an option for a 5-year extension to the base term of the lease starting January 1, 2029, through December 31, 2033, under the same lease conditions and annual 3% lease rate increase.

All plots are to be considered unirrigated and without tiling. Lessees may tile plots with prior permission from MBS International Airport.

Restrictions on planting inside the fence are the prohibition of growing corn, oats, alfalfa, or sunflowers.

Restrictions on planting outside the fence are the prohibition of growing oats, alfalfa, or sunflowers.

Bidders may reach out to MBS with bid questions prior to bid submittals by contacting MBS Airport Administration at 989-695-5555, extension 8 or in person at 8500 Garfield Rd, Suite 101, Freeland, MI 48623.

Bid selection will be based on the bid amounts effective January 1, 2025. The winning bids will have the right to farm the areas starting May 17, 2024.

The enclosed bid form must be completed, signed, sealed, and returned to the MBS Airport Administration Office by 10:00 a.m. on Tuesday, May 14, 2024. Sealed bids will be opened publicly at that time.

**MBS INTERNATIONAL AIRPORT
FARM LEASE
BID FORM**

Plot	Total Acres	Approximate Tillable Acres	2024 Season Only Bid Amount	2025 Bid Minimum	2025 Bid Amount (Determines Award)
1	412.5	345		\$30,500	
2	73.3	58		\$8,750	
3	155	147		\$18,500	
4	60	48		\$4,500	
5	134	127		\$19,000	
6	129	114		\$13,500	
7	40	38		\$4,000	
8	141	84		\$9,250	
9	236	205		\$24,250	
10	227	198		\$23,250	

If awarded, I agree to enter an agricultural lease IN THE FORM ATTACHED HERETO with MBS Airport prior to beginning any farming operation in this area, effective May 17, 2024, upon MBS International Airport Commission approval.

Name (Print): _____

Address: _____

Telephone: _____

Email: _____

Signature

Date

Form must be sealed and returned to
MBS Airport Administration, 8500 Garfield Rd, Suite 101, Freeland, MI 48623 by
10:00 a.m., Tuesday, May 14, 2024

Plot Bid Notes

Plot 1:

- 412.5 total acres, 345 tillable acres
- Approximately 314 acres of unharvested soybeans remain.
- Approximately 30 acres appears ready to plant.
- Airport security badges are required to access area.

Plot 2:

- 73.3 total acres, 58 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 3:

- 155 total acres, 147 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 4:

- 90 total acres, 48 tillable acres
- Approximately 50 acres of unharvested soybeans remain.

Plot 5:

- 134 total acres, 127 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 6:

- 129 total acres, 114 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 7:

- 40 total acres, 38 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 8:

- 141 total acres, 84 tillable acres
- Property is untilled from last season, stubbed cornstalks remain.

Plot 9:

- 236 total acres, 205 tillable acres
- Property appears to be ready to plant.

Plot 10:

- 227 total acres, 198 tillable acres
- Property appears to be ready to plant.

**AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT**

THIS AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES, hereinafter referred to as "Agreement," is made and entered into this 17th day of May, 2024, by and between the MBS INTERNATIONAL AIRPORT COMMISSION of 8500 Garfield Road, Suite 101, Freeland, Michigan 48623, hereinafter referred to as "Lessor", and _____ of _____, hereinafter referred to as "Lessee."

WHEREAS, Lessor operates the MBS International Airport, hereinafter referred to as "Airport," located in the County of Saginaw, State of Michigan, and has authority to lease portions of the same; and,

WHEREAS, Lessee desires to engage in an agricultural operation at Airport; and,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I – LEASED PREMISES

The Lessor does hereby lease to the Lessee those _____ acres designated as Plot _____, as assigned to Lessee on Exhibit A, the Potential Harvesting Areas diagram, attached to this Agreement and incorporated as though set forth herein. Those _____ acres are hereinafter referred to as "the Premises."

ARTICLE II – USE OF PREMISES

During the term of this Agreement the Lessee shall be entitled to the use of the Premises for agricultural purposes and such purposes only, and in connection with such use agrees as follows:

- A. Lessee agrees not to construct any structure whatsoever on the Premises of either a temporary or permanent nature without the express written consent of the Airport Director.
- B. Lessee agrees to conduct the agricultural operations in such a manner so as not to create a hazard to the safe operation of the Airport. Lessee shall immediately comply with all directives issued by the Airport Director or Lessor in this regard.
- C. No crops will be grown within a specified range of any landing facility, taxiway, or aircraft parking area, nor in such a way as to obstruct the line of sight from any point on a runway to any point on any other runway. Crops grown in the approaches to all runways will be restricted to low-growing varieties. The object free area on taxiways is forty (40) feet, and the object free area on runways is one hundred and seventy (170) feet. Storage of farm equipment and crops will not be permitted within 1,500 feet of an airport surveillance radar facility, 500 feet of a T-VOR, or 500 feet of an ILS Glide Slope antenna, or 500 feet of the runway safety area, or primary surface of an instrument runway.
- D. Lessee agrees that this Agreement does not permit the operation of any equipment on any runway, taxiway, or ramp surface for any reason whatsoever except by express written permission from the Airport Director or Lessor, or unless specifically escorted by an authorized radio-controlled Airport vehicle.
- E. Lessee agrees to comply with any and all crop restrictions set forth by the Airport Director from time to time and shall only grow such crops as approved by the Airport Director. Present restrictions shall be provided to Lessee by the Airport Director upon execution of this Agreement.
- F. Lessee agrees to observe generally recognized soil conservation, fertilization, and crop rotation practices so as to maintain or increase the productivity of the Premises.
- G. Lessee agrees that if crops attract birds or other wildlife that may pose a hazard to aircraft, Lessee will immediately notify the Airport Director and remove all crops as directed by the Airport Director.
- H. All land under lease and not planted to crops shall be mowed by Lessee so as to maintain a level of growth not to exceed eighteen (18) inches. Any areas not maintained according to specifications will be mowed by

**AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT**

the Lessor, and a cost of same charged to Lessee at \$50.00 per acre. All weeds must be maintained in a manner so as to prevent seeds from ripening.

- I. Upon removal of matured crop from an area, the area must be maintained as in subsection G, above, or plowed and worked to maintain a weed free condition.
- J. No farm equipment may be left parked on the field other than the Premises and not within one hundred seventy (170) feet of any runway or taxiway.
- K. If any portion of the Premises falls within the secured area of the Airport, Lessee will obtain permission of the Airport Director prior to entering the Premises. The Lessee's right of entry is exclusive and strictly limited to the Lessee for that purpose, and shall not be understood or construed as a right of entry on the Premises for any other purpose. Lessee shall also be responsible for providing a heavy-duty padlock of quality to be approved by the Airport Director to be included in the chain system on any gate to the Premises, and will maintain the correct series, so as not to interfere with others using the same gate access. Lessee shall be held responsible for the security of such gate, and this Agreement may be immediately terminated by Lessor should Lessee fail to lock the gate or otherwise impair security of any secured area of the Airport.

ARTICLE III – TERM OF AGREEMENT

The term of the Agreement will be for a period commencing on the date first set forth above and terminating 12/31/28 year(s) thereafter. Any extension of this Agreement must be negotiated prior to the expiration of the current Agreement and entered into in a writing executed by both parties.

The Lessee shall have the option to renew the term of this Lease for one (1) additional term(s) of 5 (five) years(s) (Renewal Term) on the same terms and conditions. The Lessee may exercise this option for the Renewal Term by delivering a written notice to the Commission not less than sixty (60) days before the expiration of the Base Term and if such notice is not delivered by that date this Lease shall automatically terminate as of the last day of the Base Term.

ARTICLE IV – RENT

Lessee agrees to pay a rental rate of \$_____ per acre for the first year of this Agreement for a total annual payment due in year one to the Lessor of \$_____. Lessee shall pay the rent due upon Lessee's execution of this Agreement, and, if the Agreement is extended or has a multi-year term, upon each anniversary of such execution thereafter.

Subsequent Annual Lease Rates

Year 2 (0 % increase) \$_____

Year 3 (3 % increase) \$_____

Year 4 (3 % increase) \$_____

Year 5 (3 % increase) \$_____

The annual lease rates shall be payable as follows:

Option 1: 100 percent due on or before January 1 of each lease year.

**AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT**

Option 2: In 4 installments of 25 percent each due on or before January 1, April 1, July 1 and October 1 of each lease year.

In the event of late payment, interest charges shall accrue at the rate of 2% percent per month.

ARTICLE V – HOLD HARMLESS

Lessee releases the MBS International Airport Commission, the City of Saginaw, the City of Midland, Bay County, and any of their officers, agents, employees, or representatives, from any and all claims, demands, or liability arising from the terms of this Agreement or Lessee's use of the Premises, including, but not limited to, any damage to any crop or other property or equipment of the Lessee upon the Airport property, including the Premises.

ARTICLE VI – INDEMNIFICATION AND INSURANCE

Lessee shall and will at all times hereinafter, indemnify, and save harmless the MBS International Airport Commission, the City of Saginaw, the City of Midland, Bay County, and any of their officers, agents, employees, or representatives, from and against all loss, injury or damage, including any environmental liability, to persons or property of Lessor, employees of Lessor, or others, which may be sustained or be a result of any intentional or negligent act or omission on the part of Lessee, its employees, agents or representatives in connection with the use of the Premises. Further, in the event that any claim is made or suit instituted against Lessor for any such loss, injury or damage, Lessee will, upon written notice by Lessor, settle, adjust, and defend the same at Lessee's sole expense, and will satisfy the judgment rendered against Lessor, together with such costs that may be allowed.

Lessee shall procure, pay the premium on, keep and maintain during the term of this Agreement comprehensive general liability insurance coverage in the amount standard to the industry and sufficient to cover all damages or claims. Lessee shall name Lessor as an additional insured on such policy with respect to the activities provided for in this Agreement.

ARTICLE VII – TERMINATION

This Agreement shall be subject to cancellation by Lessor or Lessee should any one or more of the following events occur:

- A. The breach by one party of the terms, covenants or conditions of this Agreement and the failure of that party to remedy such breach for a period of sixty (60) days after written notice from non-breaching party of the existence of such breach.
- B. The assumption by the United States Government or State of Michigan, or any authorized agency of same, of the operation, control and use of the Airport and its facilities in such a manner as to substantially restrict Lessee from conducting the agricultural operation.
- C. On 30 days' notice in writing from Lessee if unusual and extenuating circumstances can be proved to exist. Crops planted at the time such notice is given shall become the property of Lessor.

ARTICLE VIII – TERMINATION BY LESSOR

In addition to all other remedies available to Lessor by law, this Agreement shall also be subject to cancellation by Lessor should any one or more of the following events occur:

- A. Failure on the part of Lessee to pay the rent specified in Article IV within thirty (30) days after it shall come due, shall automatically authorize Lessor, without any legal proceedings, to declare this Agreement void, cancel same, and reenter and take possession of the Premises.

**AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT**

- B. If Lessee shall fail to abide by any applicable Federal, State, or local laws, ordinances, rules, or regulations this Agreement may be cancelled immediately upon written notice of such violation being provided to Lessee by Lessor.
- C. Upon ninety (90) days' written notice of the Lessor should the Lessor require the Premises for future economic or Airport development plans.

ARTICLE IX – U.S. GOVERNMENT – SUBORDINATION

During time of war or national emergency Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended. This Agreement shall be subordinate to the provisions of any outstanding agreement between Lessor and the United States relative to the maintenance, operation or development of the Airport.

ARTICLE X – PARTIAL RELEASE OF PREMISES

Lessee agrees to release any portion of land that may be required from time to time for Airport improvements or navigational facilities. Future rentals will be adjusted pro-rata on an area basis. Reimbursements will be made for labor and materials expended on such areas removed from the Premises and will be computed at the standard rate as established by the Lessor.

ARTICLE XI – ASSIGNMENT AND SUBLETTING

The privileges contained herein are personal and Lessee agrees that Lessee will not assign, sublet or otherwise encumber the same or any portion thereof without the express written consent of the Airport Director. Lessor reserves the right to change the rental rate should an assignment occur.

ARTICLE XII – RULES, REGULATIONS, AND CONTROLS

- A. Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
- B. Lessor reserves the right to develop or improve the landing area and all publicly owned air navigation facilities of the Airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.
- C. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of Lessor would limit the usefulness of the Airport or constitute a hazard to aircraft.
- D. Lessor shall have the right to adopt and enforce reasonable rules and regulations with respect to the use of the Airport and facilities located thereon, and issue other directives concerning Lessee's use of the Premises, which Lessee agrees to observe and obey. Failure to comply with said rules or directives shall constitute grounds for immediate termination of this Agreement. In the alternative, if Lessee shall fail to comply with any regulation or directive, the effect of which, in the sole opinion of Lessor, jeopardizes the safe operation of the Airport, Lessor may take all reasonable steps necessary to protect the safe operation of the Airport, including but not limited to, cutting or removing crops, equipment or debris. Any costs so incurred shall be chargeable to Lessee.

**AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT**

- E. If any portion of the Premises falls in the secured area of the Airport, Lessee shall be required to participate in additional security training and protocols as required by the Airport.

ARTICLE XIII – DISCRIMINATORY COVENANTS

Lessee will not, on the grounds of sex, gender, race, color, national origin, or other class of individuals protected by law, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local law. In the event of breach of any such law, Lessor shall have the right to immediately terminate this Agreement and reenter and repossess the Premises and the facilities thereon and to hold the same as if this Agreement had never been made or issued.

ARTICLE XIV – MISCELLANEOUS PROVISIONS

- A. All notices which may be provided in relation to this Agreement shall be addressed to the addresses first set forth above.
- B. The persons signing on behalf of the parties certify, by their signatures, that they are duly authorized to sign this Agreement on behalf of the party they represent and that this Agreement has been authorized by said party.
- C. It is understood and agreed that the entire Agreement of the parties is contained herein and that this Agreement supersedes all oral agreements, negotiations, and previous agreements presently in effect between the parties relating to the subject matter hereof.
- D. If any provision of this Agreement is held to be invalid, the remainder of the Agreement shall not be affected, except where the invalidity of the provision would result in the illegality and/or unenforceability of this Agreement.
- E. All modifications, amendments or waivers of any provision of this Agreement may be made only by the written mutual consent of the parties.
- F. This Agreement is not intended to be a third-party beneficiary contract and confers no rights on anyone other than the parties.
- G. This Agreement shall be interpreted under the laws of the State of Michigan. The courts of Saginaw County shall have jurisdiction over any action arising under this Agreement.
- H. Any property taxes or assessments that may become owing as a result of Lessee's use of the Premises shall be the sole responsibility of the Lessee.
- I. Lessor makes no representations or warranties as to the condition of the Premises. Lessee accepts the Premises for its use in the Premises as-is condition.
- J. The Lessee shall maintain all of the Lessor's acreage in the Lessee's total nutrient management plan during the term of the lease. Manure and fertilizer application following applicable Generally Accepted Agricultural Management Practices (GAAMPs) that keep the Lessee in compliance with the Michigan Right to Farm Act are acceptable to the Lessor. Lessee agrees to test the soil at reasonable intervals on the basis of sound soil testing protocols to determine crop fertilizer requirements. A copy of the test will be furnished to the Lessor.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals the date and year first above written.

MBS INTERNATIONAL AIRPORT COMMISSION

LESSEE

By: _____
MBS International Airport Commission, Chair

By: _____

AGREEMENT AND LEASE FOR AGRICULTURAL PURPOSES
MBS INTERNATIONAL AIRPORT

EXHIBIT A

