ANNUAL AGRICULTURAL LEASE AGREEMENT

Breckenridge Community Schools

This Annual Agricultural Lease Agreement ("Agreement") is entered into this _____ day of _____***, 20____***, by and between **Breckenridge Community Schools**, a Michigan general powers school district organized and operating under the provisions of the Revised School Code, MCL 380.1, et seq., as amended, whose address is 700 Wright Street, Breckenridge, Michigan 48615 ("District") and _____, whose address is _____ ("Tenant") (each, a "Party" and collectively, the "Parties").

Quick Reference Schedule (Current Year)

Agreement Year	**Land Description/Acreage**	**Annual Rent Amount**	**Payment Due Date**	**District IPM Contact**
January 1, 2027 – December 30, 2030	**Northern portion of Parcel: 42-019-010-00**	**$_____**	_____***, 20***	Angela Stephens (FFA Advisor) and Wade Slavik (Superintendent)

Section 1: Purpose & Property Description

The District hereby leases to the Tenant, solely for agricultural crop production purposes, the northern portion of the District-owned land identified as **Parcel ID: 42-019-010-00**, as depicted in Exhibit A, attached hereto, located within the District's jurisdictional boundaries in Gratiot County, Michigan, consisting of approximately 6.5 tillable acres (the "Leased Area"). This Leased Area shall not be used for any other purpose without prior written authorization from the District Superintendent. Without limiting the generality of the foregoing, Tenant shall not use the Leased Area for (i) storing or parking any items of personal property, including but not limited to farm machinery and/or equipment, or (ii) accumulating refuse. Furthermore, Tenant shall have no hunting rights to any portion of the Leased Area.

Section 2: Term, Annual Renewal, & Termination

- **Fixed Term:** This Agreement is valid for a single growing season, beginning on ***January 1, 2027***, and terminating automatically on ***December 30, 2030***, unless extended by mutual written agreement of the Parties or terminated earlier under the provisions of this Agreement.

- **Annual Review:** Because this Agreement covers public school property, it must be reviewed, updated, and executed on a consistent basis. Neither Party is automatically entitled to a renewal beyond the stated term.

- **Termination:** Either Party may terminate this Agreement upon sixty (60) days' prior written notice to the other Party. Either Party may also terminate this Agreement upon thirty (30) days' written notice following the other Party's material breach of this Agreement, provided the breaching Party fails to cure the breach within such thirty (30)-day period. Upon receipt of a termination notice, Tenant shall continue to manage and complete all crop production activities

then in progress, including harvesting, but shall not commence any new plantings. Tenant shall surrender possession of the Leased Area upon termination or expiration of this Agreement.

Section 3: Rental Fees

Annual Consideration: For the term, the Tenant shall pay the District the total sum of **$_____** *(amount to be agreed upon and written in by the Tenant and District each year)*.

Payment for each year shall be made in full to Breckenridge Community Schools on or before January 1***, of the following year***. Tenant further agrees to pay as additional rent those costs and expenses associated with maintaining and insuring the Leased Area.

Section 4: Public School Land Expectations & Management

As a tenant on public school property, the Tenant is expected to maintain the highest standards of stewardship, community safety, and land conservation.

- **Good Husbandry:** The Tenant shall use generally accepted farming practices that comply with all laws, regulations, rules and orders of federal, state, county and municipal authorities applicable to the purposes of this Agreement, and Tenant shall cultivate the land in accordance with accepted modern agricultural practices, minimizing soil erosion and maintaining the natural fertility of the soil. Tenant shall not undertake any activity that is unduly or unreasonably disruptive to neighboring property owners or the District. To ensure compliance with these provisions, the District and its agents shall have the right to enter the Leased Area at any time as it deems necessary or desirable, but this right shall be exercised to cause no undue interference with Tenant's use of the Leased Area.

- **Property Maintenance:** The Tenant shall keep the Leased Area "neat and tidy" and shall keep field edges, fence lines, and access points free of noxious weeds, debris, and agricultural waste. Upon termination or expiration of this Agreement and for thirty (30) days thereafter, Tenant shall be responsible to return the Leased Area to like condition as before commencement of this Agreement, including but not limited to plowing under any existing crop residue and disking the Leased Area so that it is relatively level.

- **Public Access Acknowledgement:** The Tenant recognizes that the Leased Area is owned by a public school district, and the District's activities will continue on other parts of the identified parcel during the term. The Tenant shall operate machinery with extreme caution, particularly regarding student presence, school athletic events, or community use of adjacent school facilities.

Section 5: Pesticide, Herbicide, and Fertilizer Compliance

The District and the Tenant must strictly adhere to all applicable law, including but not limited to the **Natural Resources and Environmental Protection Act, PA 451 of 1994, Part 83, Section 324.8316**, and the District's Board of Education policies regarding chemical applications on school property.

- **Mandatory 48-Hour Advance Notice:** The Tenant **shall not** spray any pesticide, herbicide, or liquid fertilizer within the Leased Area without providing written or electronic notice to the

District's designated Integrated Pest Management (IPM) Coordinator and Superintendent at least **48 hours prior** to the intended application.

- **Required Notification Details:** The Tenant's advance written notice must explicitly include:
    - The specific date and approximate time and location of application and target pest(s).
    - The product name, active ingredients, and EPA registration number.
    - The manufacturer-specified Re-entry Interval (REI) during which humans must avoid the area.
- **District Posting Rights:** Upon receiving such written notice, the District will post the mandatory public notifications at primary facility entry points and/or on the District website as required by state law. The Tenant agrees to delay application if the District requires additional time to fulfill its statutory posting mandates.
- **Application Restrictions:** No chemical application shall take place during normal school hours, during outdoor school-sanctioned activities, or when wind conditions present a risk of chemical drift toward school buildings, playgrounds, or athletic fields. Tenant shall coordinate with the District in advance of any chemical application to minimize interference with District activities. Tenant shall reasonably accommodate the District's scheduling needs to minimize impacts on District operations and activities.
- **Hazardous Materials:** Tenant agrees that Tenant will not use, generate, store or dispose of any Hazardous Material on, under, about or within the Leased Area in violation of any law, regulation, rule and/or order of any federal, state, county and/or municipal authorities. Tenant agrees to defend, indemnify and hold harmless the District and its agents, employees, contractors and subcontractors against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses, made, brought or obtained arising from any breach of this section. Tenant shall promptly notify the District of the release or threatened release of any Hazardous Material on, into, upon, or from the Leased Area. In addition, Tenant shall promptly provide the District with a copy of any letter, inquiry, demand or complaint received by Tenant from any state or federal agency, authority or other third party regarding the release or threatened release of any Hazardous Material on, into, upon or from the Leased Area. As used in this section "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any federal or state law, regulation, rule and/or order.

Section 6: Insurance, Indemnification, & Limitation of Liability

- **Liability Insurance:** The Tenant shall maintain Commercial General Liability Insurance with limits of not less than $1,000,000 per occurrence, naming Breckenridge Community Schools as an additional insured. A certificate of insurance must be provided to the District before the beginning of the term, and the Tenant must provide notice to the District of any modifications to such insurance prior to becoming effective.
- **Indemnification:** The Tenant agrees to defend, indemnify, and hold harmless Breckenridge Community Schools, its Board of Education, administrators, and employees from any claims, damages, expenses (including attorney fees), judgments, or liabilities arising out of the

Tenant's use of the Leased Area, including but not limited to its agricultural operations and chemical applications.

- **Limitation Of Liability:** In no event, whether as a breach of contract, warranty, or tort, including negligence, shall the District be liable to Tenant or anyone claiming through Tenant for any consequential or incidental damages. District liability in any claim (subject to the limitation provided for above) of any kind (including negligence) for any loss or damage arising out of, or resulting from this Agreement, or from the performance or breach of this Agreement, shall be limited to the actual damages suffered by the Tenant.

Section 7: Manure & Agricultural Waste Management

To promote sustainable nutrient cycling and support the operational needs of the District's agriscience facilities, the District reserves the right to apply organic land amendments to the plot.

- **School Waste Spreading:** The District's agriculture classes and FFA program shall have the right to spread organic barn waste, livestock manure, compost, or green/greenhouse waste generated by the District's agricultural facilities within the Leased Area.

- **Timing of Application:** All school-generated waste applications must take place **after the Tenant has fully harvested the current season's crop** and prior to the subsequent spring planting, unless otherwise agreed upon in writing by the Tenant.

- **Agronomic Rates:** The District agrees to apply such materials at responsible agronomic rates in accordance with Michigan Right to Farm Generally Accepted Agricultural and Management Practices (GAAMPs) for Nutrient Management.

Section 8: Educational Access & Student Activities

The Tenant acknowledges that the primary purpose of District-owned property is student education. The District reserves the right to utilize the Leased Area as an outdoor instructional laboratory for agricultural education classes.

- **Hands-On Learning Access:** The District's agriculture instructor and students shall have pedestrian access to the Leased Area for educational, non-destructive, hands-on learning experiences. Authorized activities include, but are not limited to: crop stand counting, weed scouting, pest pressure identification, soil sampling, and fall stand observations.

- **Minimal Crop Disruption:** The District agrees to conduct these classes in a manner that avoids causing impacting yield damage. Students may check seed planting depth and accuracy by uncovering a minimal number of seeds/plants (strictly limited to 2 or 3 plants per class period, with a maximum cap of 15 plants across the entire growing season).

- **Coordination:** The agriculture instructor will make a reasonable effort to keep the Tenant informed of general field-trip timelines, and students will be supervised by school staff at all times while on the plot.

Section 9: Taxes, Grants, & Subsidies

- **Property Taxes:** Tenant shall reimburse the District for all real estate taxes, if any, and any

other general or special governmental charges that become due and payable as a result of Tenant's use of the Leased Area.

- **Personal Property Taxes**: Tenant shall pay all personal property taxes assessed against any personal property owned by Tenant and located on the Leased Area and on any personal property brought onto the Leased Area or produced thereon by Tenant and which is assessable for personal property tax purposes, if any. Tenant shall upon request provide the District with evidence that such personal property taxes were paid in a timely fashion.

- **State and Federal Subsidies**: Tenant may apply for and obtain state and federal subsidies for Tenant's agricultural use of the Leased Area (collectively, the "Subsidies"). No Subsidy shall create or result in any lien, encumbrance, restriction, or other interest affecting the Leased Area or limiting the District's ownership, use, or disposition of the Leased Area, and Tenant shall not permit any such lien, encumbrance, restriction, or interest to attach to or affect the Leased Area. Tenant shall indemnify and hold harmless the District for any and all claims, including the District's actual attorneys' fees, arising out of or in any way related to the Subsidies, including without limitation demands for recoupment or recovery of the Subsidies.

Section 10: Miscellaneous

- **Notices:** All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be deemed duly given if sent by first class mail, postage prepaid, to the addresses set forth this Agreement, or to any such other address as the Parties may from time to time designate in writing.

- **No Partnership:** The Parties are entering into this Agreement solely to effectuate the leasing of certain real property and the District and Tenant specifically acknowledge and agree that this Agreement should in no way be construed as a partnership or any other venture.

- **Successors & Assigns:** This Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors, assigns, heirs, and personal representatives. However, neither Party shall assign any of its rights, privileges, or obligations hereunder without the prior written consent of the other Party hereto. Any assignment of obligations under this Agreement will not release the assignor from the duty to perform those obligations.

- **Entire Agreement:** This Agreement contains the entire agreement among the Parties hereto with respect to the transactions contemplated hereby and supersedes any prior written or oral agreement between any of the Parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement signed by the Parties.

- **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument. Facsimile signatures shall be effective as originals.

- **Applicable Law:** This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

- **Severability:** If any term, covenant or condition of this Agreement or the application of which to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be

affected, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

- **Time Of The Essence:** Time is of the essence in this Agreement.
- **No Third-Party Beneficiaries:** This Agreement is not made for the benefit of or on behalf of any third party, and no person or entity shall be deemed to be a third-party beneficiary of this Agreement or entitled to enforce this Agreement or take advantage of any of the rights or obligations under this Lease.
- **Acceptance:** The Tenant accepts the Leased Area in the condition in which it now is, without representation or warranty of any kind or nature, express or implied, in fact or by law by the District, and without recourse to the District as to the nature, condition, fitness or usability of the Leased Area.

Section 10: Authorization and Execution

By signing below, both Parties acknowledge and accept the terms, expectations, and financial obligations outlined for this annual term.

For Breckenridge Community Schools (District):

_____

_____

Authorized District Representative / Superintendent Date

For the Tenant (Farmer):

_____

_____

Tenant Signature / Farm Entity Name Date

Exhibit “A”

Depiction of Leased Area

Approximation from the highlighted area.

