



**City Council
Special Meeting**

June 27, 2017

6:00 p.m.

Cadillac Municipal Complex
Council Chambers
200 N. Lake St.
Cadillac, MI 49601

CITY OF CADILLAC CITY COUNCIL

SPECIAL MEETING AGENDA

June 27, 2017 6:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

- I. APPROVAL OF AGENDA
- II. PUBLIC COMMENTS
- III. PUBLIC HEARING REGARDING LEASE AGREEMENT WITH UP NORTH ARTS
- IV. SPECIAL ASSESSMENT ROLL FOR ALLEY IMPROVEMENTS
- V. RESOLUTION OPPOSING SHORT TERM HOUSING
- VI. ADJOURNMENT

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
John P. Meinhardt
Robert J. Engels

RESOLUTION NO. _____

**RESOLUTION TO ADOPT AN ORDINANCE APPROVING A LEASE AGREEMENT
WITH UP NORTH ARTS, INC.**

At a regular meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 27th day of June, 2017, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and seconded by _____.

WHEREAS, the City of Cadillac ("City") owns the building located at 601 Chestnut Street, Cadillac, Michigan 49601, commonly known as the Naval Reserve Building; and

WHEREAS, the City desires to lease certain space in the Naval Reserve Building to the Up North Arts, Inc.; and

WHEREAS, section 5.6(a) of the City Charter requires the City to adopt an ordinance to enter into a lease of any real estate; and

WHEREAS, section 5.6(a) of the City Charter requires the City to hold a public hearing prior to final adoption of said ordinance and publish notice once at least twenty (20) days and again at least ten (10) days prior to the public hearing; and

WHEREAS, the City published notice of the public hearing on June 6, 2017 and again on June 16, 2017 and held a public hearing on June 27, 2017.

NOW, THEREFORE, the City Council of the City of Cadillac, Wexford County, Michigan, resolves as follows:

1. Pursuant to Section 5.2 and 5.6 of the City Charter, the City adopts Ordinance No. 2017-07, An Ordinance Approving A Lease Agreement With Up North Arts, Inc. (the "Ordinance," attached as Exhibit A).

2. The Ordinance shall be filed with the City Clerk.

3. The City Clerk is directed to publish a summary of the Ordinance in a newspaper of general circulation in the City of Cadillac within seven (7) days.

4. A copy of the Ordinance shall be available for examination at the office of the City Clerk, and copies may be provided for a reasonable charge.

5. Any and all resolutions that are in conflict with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. ___, duly adopted at a regular meeting of the City Council held on the 27th day of June, 2017.

Sandra Wasson
Cadillac City Clerk

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
John P. Meinhardt
Robert J. Engels

ORDINANCE NO. 2017-07

**AN ORDINANCE APPROVING A LEASE AGREEMENT
WITH UP NORTH ARTS, INC.**

THE CITY OF CADILLAC ORDAINS:

Section 1.

The City hereby adopts and approves the lease agreement ("Lease"), attached hereto as Exhibit A, by and between the City of Cadillac and Up North Arts, Inc. for a portion of the Naval Reserve Building located at 601 Chestnut Street.

Section 2.

The Mayor and Clerk are authorized to make any changes to the Lease deemed necessary in consultation with Up North Arts, Inc. and approved by the City Attorney, except that no changes may be made to the term of Lease or the rent payable by Up North Arts, Inc. unless first approved by the City Council.

Section 3.

All other ordinances inconsistent with the provisions of this Ordinance are hereby repealed but only to the extent necessary to give this Ordinance full force and effect.

Section 4.

This Ordinance shall take effect twenty (20) days after its adoption and publication.

Approved this 27th day of June, 2017.

Sandra Wasson, Clerk

Carla J. Filkins, Mayor

I, Sandra Wasson, City Clerk of the City of Cadillac, Michigan, do hereby certify that Ordinance No. 2017-07 was published in the Cadillac News on the ____ day of _____, 2017.

Sandra Wasson, City Clerk

**NAVAL RESERVE BUILDING
LEASE AGREEMENT
LEASE COVER PAGE**

City of Cadillac
200 North Lake Street
Cadillac, MI 49601 ("Landlord") and

Up North Arts
P.O. Box 62
Cadillac, MI 49601 ("Tenant")

FOR GOOD AND VALUABLE CONSIDERATION, Landlord and Tenant agree as follows:

1. **Premises.** Landlord hereby leases to Tenant certain Premises located in the Naval Reserve Building (the "Building") consisting of 2,291 square feet of office-type space (Marked as "SPACE" in Attachment A). Lessee shall share access areas and available rest room facilities without Additional Rent. The address for the Naval Reserve Building is 601 Chestnut Street, Cadillac, MI 49601.

2. **Term.** The initial term of this Lease will be for five (5) years commencing on September 1, 2017 (the "Commencement Date") and ending August 31, 2022.

3. **Base Rent.** The Base Rent for the term of this Lease is based upon a "Business Incubator"-type incentive. Base rent will be set for the next five years, gradually increasing over the time period until full market value rent is achieved in year 5. Base rent for the next five (5) years is as follows:

September 1, 2017 – August 31, 2018	\$668.21/month (\$8,018.50/year)
September 1, 2018 – August 31, 2019	\$859.13/month (\$10,309.50/year)
September 1, 2019 – August 31, 2020	\$1,050.04/month (\$12,600.50/year)
September 1, 2020 – August 31, 2021	\$1,240.96/month (\$14,891.50/year)
September 1, 2021 – August 31, 2022	\$1,527.33/month (\$18,328.00/year)

Rent shall be payable in advance at the first day of each month. Tenant shall pay the first month's Base Rent on execution hereof.

4. **Additional Rent.** Tenant will pay to Landlord, as Additional Rent, and all charges set forth in this Lease in accordance with the Standard Lease Conditions. At Landlord's option, the Additional Rent shall be paid monthly (on the first day of each month) based upon Landlord's estimate of annual Operating Expenses; Landlord's estimate will be reconciled with the actual Operating Expense at the end of each calendar year in accordance with the Standard Lease Conditions.

6. **Use of Premises.** The premises shall be used for Tenant's legal business as of the date of this lease and for no other purposes.

7. **Renewals.** This Lease is considered non-expiring, and after the initial five-year period in Section 3 ends on August 31, 2022, the lease shall automatically renew for additional one (1) year terms. Base rent will increase in accordance with the schedule in Section 3. Beginning September 1, 2022, the renewal Base Rent shall increase by the 12-month change in the Consumer Price Index each year as of July 31, as set forth in Section 16.11 of the Standard

Lease Conditions. **Lease may be terminated without cause and/or penalty at any time, by either party, if a written notice is given at least ninety (90) days prior to termination.**

8. **Lease Agreement.** This Lease Agreement consists of this Lease Cover Page, the Standard Lease Conditions attached hereto (consisting of Sections 1 through 16), and the Riders designated below executed by Landlord and Tenant.

Riders:

LANDLORD/AGENT:

CITY OF CADILLAC

By: _____

Carla J. Filkins

Its: Mayor

TENANT:

UP NORTH ARTS

By: _____

Its: _____

DATE: _____

DATE: _____

NAVAL RESERVE BUILDING

STANDARD LEASE CONDITIONS

1. Premises.

1.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises described on the Lease Cover Page. Tenant has investigated the Premises and, except as expressly provided herein, agrees to accept the Premises in its present "as is" condition.

2. Term.

2.1 Possession of the Premises will be delivered to Tenant approximately upon the date that the Cadillac City Council approves the lease in accordance with local legal requirements. The term of this Lease will be for the term stated on the Lease Cover Page commencing on the date Tenant's obligation to pay rent specified in Section 3.1 begins.

2.2 In the event Tenant continues to occupy all or any part of the Premises after the expiration of the term of this Lease, such holding over will be deemed to constitute a tenancy from month to month terminable on thirty (30) days' notice given at any time by either party, upon the same conditions and terms as provided in this Lease except that the monthly rent each month of the holdover period will be equal to one and one-half times the monthly rent for the last month of the stated term of this Lease. This paragraph does not give Tenant any right to holdover and Tenant will be in default as a result of any holding over beyond the stated term.

3. Rent.

3.1 Tenant agrees to pay to Landlord the Base Rent as stated on the Lease Cover Page. Tenant will be liable for Base Rent upon the date on which possession of the Premises is delivered to Tenant.

3.2 All monies payable by Tenant to Landlord under this Lease will be considered rent. The monthly rent will be paid to Landlord in advance on the first day of each calendar month during the entire term of this Lease, without deduction or set-off. Should the obligation to pay rent commence on a day other than the first day of a month or terminate on a day other than the last day of a month, all rent will be prorated based on the days in the calendar month involved. If Tenant fails to pay any rent or other sums when due, such unpaid amounts will bear interest at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum.

3.3 Tenant hereby grants to Landlord a continuing security interest in all assets (the "Collateral") now owned and hereafter acquired by Tenant and located, at any time, on the Premises or derived from the Premises, including all now owned and hereafter acquired inventory, equipment, furniture, fixtures, accounts, contract rights, general tangibles, and all proceeds, products, replacements and substitutions thereof. Tenant authorizes Landlord to file a Financing Statement(s). Upon the occurrence of an event of default, Landlord may exercise any and all rights and remedies provided under the Uniform Commercial Code, including taking possession of the Collateral (whether through changing the locks on the Premises or otherwise). Tenant agrees that reasonable notice of any sale of the Collateral shall be sufficient if made by mail, by posting, personal delivery or in any other manner in Landlord's sole discretion at least seven (7) days before any such sale.

4. Use of Premises.

4.1 Tenant will not use the Premises or any part thereof for any purpose other than the use described on the Lease Cover Page without the prior written consent of Landlord nor in any event for any unlawful purposes or in any unlawful manner. Tenant will not permit the Premises to be used in any manner which, in the reasonable business judgment of Landlord, will in any way impair the appearance or reputation of the Building or of Landlord; impair or interfere with the proper and economic heating, cleaning, air conditioning or other servicing of the Building or of the Premises; or impair or interfere with the use of any of the areas of the Building by any of the other tenants and occupants of the Building.

4.2 If any governmental license or permit will be required for the proper and lawful conduct of the Tenant's business, the Tenant will procure and thereafter maintain such license or permit and submit the same to inspection by Landlord. The Tenant will, at all times, comply with the terms and conditions of each such license or permit.

4.3 Tenant will not do or permit to be done any act or thing upon the Premises that will increase the cost to Landlord of insurance on the Building.

4.4 The rights of Tenant in the entrances, halls, public restrooms, walks, drives, parking areas and other common areas of the Building ("Common Areas") are limited to ingress to and egress from the Premises. Tenant will not interfere with the use and enjoyment of the Common Areas by other tenants or occupants of the Building. Landlord will have the right to control and operate the public portions of the Building and the Common Areas by publishing rules and regulations as Landlord deems best for the benefit of all tenants, owners and occupants generally and Tenant agrees to comply with all such rules and regulations after written notice from Landlord.

4.5 Any lettering or signage advertising Up North Arts, Inc. and events sponsored by Up North Arts, Inc. that may be painted or displayed in, on, or around the building will be allowed with prior review and permission of Landlord, and subject to any necessary permits and zoning review. Any such advertising or signage will be removed and the building exterior returned to previous condition when lease expires or is terminated by either party.

4.6 No awnings or other projections over or around the windows or window draperies or blinds will be installed by Tenant except as approved or supplied by Landlord, such approval not to be unreasonably withheld or delayed and Landlord will have no obligation to provide any such draperies or blinds.

4.7 Landlord will have the right to prescribe the weight and position of objects of excessive or concentrated weight, and no object whose weight exceeds the lawful or permitted load for the area upon which it would stand will be brought into or kept upon the Premises.

4.8 Landlord will at all times have a master key or other access device to open the door to the Premises. No additional locks or bolts of any kind will be placed upon any of the doors in the Premises and no lock on any door will be changed or altered in any respect without the Landlord's prior written consent, which will not be unreasonably withheld or delayed. Duplicate keys and other access device for the Premises will be procured only from Landlord, which may make a reasonable charge therefor. Upon the termination of the Lease, all keys of the Premises will be delivered to the Landlord.

4.9 Landlord will have no responsibility to provide security to or for Tenant or Tenant's employees, agents or invites, or to provide for the protection of Tenant against the removal of property from the Premises.

4.10 The Building, including the Premises and the Common Areas, is a smoke-free/no smoking building. Tenant will not permit smoking of any product or substance within the Premises and the Building and will prohibit its employees and customers from smoking in the Building or immediately outside of the Building.

4.11 The Premises shall be used only by Tenant and its employees, customers and business invitees. Tenant shall not permit the number of people occupying the Premises to exceed the number set forth in Paragraph 6 of the Lease Cover Page, if any number is set forth therein. Tenant shall comply with all laws, ordinances and regulations regarding occupancy. Landlord may prescribe reasonable rules and regulations regarding the number of occupants of the Premises.

4.12 Landlord shall have the right to designate parking spaces for tenants of the Building. Tenant shall not use an excessive number of parking spaces and will not permit any vehicles to remain in the parking lot for more than 48 consecutive hours.

4.13 No music systems for the Premises shall be installed without first obtaining in each such instance the Landlord's written consent. No aerial shall be erected on the roof or exterior walls of the Premises or on the grounds without, in each instance, the written consent of Landlord. Any aerial so installed without such written consent shall be subject to removal without notice at any time. Data and communications systems may only be installed in and through the Building's room identified by Landlord for such purpose, and Landlord shall have the right to approve all data and communications systems and installation contractors. All installation shall be performed in the presence of Landlord or its representative. In the event aerials, data or communications systems interfere with those provided by Landlord or used by other tenants, Landlord may revoke its consent and Tenant shall remove at its expenses such aerials, data systems or communications systems.

4.14 Tenant shall not operate or permit to be operated on the Premises any coin- or token-operated vending machines, or similar devices for the sale of goods, wares, merchandise, food, beverage, and/or service, including, without limitation, pay telephones, pay lockers, scales and amusement devices, without Landlord's written consent.

4.15 Tenant shall not perform any acts or carry on any practices which may injure the Building or be a nuisance or menace to other tenants in the Building. Tenant shall not make any excessive noise and will not permit cursing or swearing.

4.16 Tenant may enter the Building prior to or after Ordinary Business Hours (identified below) but Tenant must close and lock all doors at all times while in the Building, and upon exiting the Building prior to or after Ordinary Business Hours, must turn off all lights and otherwise properly close and secure the Building.

5. Utilities and Services.

5.1 Landlord may elect to provide weekly janitorial services for the Premises consisting of vacuuming and emptying waste baskets (including exterior window washing as may be requested) and bi-weekly janitorial services to the Common Areas, and will furnish water to the Building for use in the lavatories, drinking fountains and furnish such heated or cooled air to the Premises as may, in the reasonable judgment of Landlord, be reasonably required for the comfortable use and occupancy of the Premises (provided that Tenant complies with the recommendations of Landlord's engineer regarding occupancy and use of the Premises), and to cause electric current to be supplied for lighting the Building.

5.2 Landlord may, at its option, provide protective services as may be provided in similar buildings, during all hours other than Ordinary Business Hours. Landlord reserves the right to use an automatic security system. The cost of any entry cards or similar items used in connection with such system will be paid for by Tenant based on the number of cards or such other items that are issued to Tenant. Landlord does not warrant the security of the Premises and will not be liable for loss to Tenant. Tenant shall be liable for false alarms.

5.3 Landlord will not be obligated to supply any water, heating, air conditioning, electrical, janitorial, lighting, data or communication lines or access or other services during any period, when by reason of any happening beyond the control of Landlord, such services cannot be reasonably provided.

5.4 Tenant agrees that Landlord will not be liable for any interruption, failure, surge, or defect of any utility service, including, without limitation, water supply or electric current for injury to persons, including death, or damage to property including, without limitation, computers and electrical equipment from any cause whatsoever, including that which results from steam, gas, electricity, water, and rain, or snow which may flow or leak from any part of the Building or from any pipes, appliances, or plumbing works from the street or subsurface or from any other place, or for interference with light or other easements, however caused. Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises or any part of the Building of which the Premises are a part, or for any damage or loss of property within the Premises from any cause whatsoever, except for any damages caused by Landlord's failure to repair in accordance with its express obligations under this Lease where Landlord knows of the necessity of such repairs.

6. Alterations, Maintenance and Repair.

6.1 Landlord shall be responsible for maintenance, repairs and replacements of components of building systems (including heating, air conditioning, plumbing and electrical systems), and maintenance and repairs of the non-leasable areas of the Building, the Building foundation, exterior walls and roof, and repairs to the Premises which are structural in nature. Notwithstanding the foregoing, Tenant will, at its expense, make all repairs and replacements arising from or occasioned by the act or omission of Tenant, its agents, employees and invitees and, if Tenant fails to make such repairs or replacements promptly, then Landlord may do so at Tenant's expense, payable upon demand of Landlord.

6.2 Tenant, at Tenant's cost and expense, **except for services furnished by Landlord pursuant to Paragraphs 5 and 6 hereof**, will maintain the Premises in good order, clean condition and repair including the interior surfaces of the ceilings (if damaged or discolored due to the fault of Tenant), walls and floors, all doors, interior glass partitions or glass surfaces

(not exterior windows); and to the extent within the Premises, toilets, sinks, plumbing pipes, electrical wiring, electrical panels, heating and air conditioning units and related equipment switches, fixtures, and other items. Tenant will also be responsible for nonstructural replacements, repairs and maintenance within the Premises, including without limitation, replacement of light bulbs and repair and replacement of any and all damage caused by tenant or guest(s) of tenant. If Tenant fails to maintain the Premises in good order, condition and repair, Landlord may give Tenant notice to do such acts as are reasonably required to maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord will have the right, but will not be required, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work and the amount so expended will be immediately due and payable from Tenant upon demand. Landlord will have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work. Landlord may perform an obligation of Tenant under this paragraph and the cost of performing such obligation shall be an Operating Expense.

6.3 Landlord, its agents and employees will have the right to enter the Premises to make inspections, alterations, and repairs to the Building or premises and for the purpose of showing the Premises to prospective tenants. In the event of an emergency, Landlord, its agents and employees will have the right of entry at any time and may perform any acts related to safety, protection, preservation or improvement of the Building or Premises without liability to Tenant.

6.4 Tenant, at its expense, may make changes, additions and improvements to the Premises provided any such change, addition or improvement will:

A. Be made only with the prior written consent of Landlord, such consent to be given or withheld by Landlord in its sole discretion, and

B. Equal or exceed the current construction standard for the Building and be made in full compliance with all government requirements, and

C. Be performed by a licensed contractor first approved by Landlord which contractor, at the request of Landlord, will agree to perform construction in accordance with reasonable regulations established by Landlord and will provide to Landlord evidence of insurance coverage in an amount and form satisfactory to Landlord, and

D. Be performed pursuant to appropriate governmental permits and in accordance with all applicable laws.

E. All work performed will be done in such a manner as to not disturb or disrupt the operation of the Building or of any tenant situated in the Building. Following completion of any changes, additions or improvements, Tenant will furnish Landlord with current "as built" drawings and specifications for the Premises reflecting such changes, additions or improvements made to premises. Tenant will not cause or permit liens of any kind to be filed or placed against the Premises or the Building. If any such liens are filed, with or without Tenant's knowledge, Tenant will immediately, at Tenant's sole cost and expense, take whatever action is necessary to cause such lien to be satisfied and discharged. If Tenant does not immediately cause such lien to be satisfied and discharged, Landlord may, but is not required to, pay such lien or claim and any costs, and the amount so paid, together with reasonable attorney fees incurred in connection therewith, will be immediately due from Tenant to Landlord.

6.5 Landlord reserves the right to make such changes, alterations, additions or improvements in or to the Building or the Common Areas and the fixtures and equipment thereof as it may deem necessary or desirable; provided, however, that there is no unreasonable obstruction of the right of access to the Premises or unreasonable interference with the use of the Premises, but such work may be performed during Ordinary Business Hours.

7. Assignment and Subletting.

7.1 Tenant covenants and agrees that neither this Lease nor any interest in or under this Lease will be assigned, mortgaged, pledged, encumbered or otherwise transferred, nor will the Premises be sublet, or offered or advertised for subletting, without the prior written consent of the Landlord, which consent may be withheld by Landlord in Landlord's sole discretion. Notwithstanding any assignment or sublease, Tenant will remain fully liable on this Lease and will not be released from performing any of the terms, covenants and conditions of this Lease.

7.2 If Tenant is a corporation or limited liability company then (a) any transfer of this Lease from Tenant by merger, consolidation or liquidation, or (b) any change in the present effective voting control of Tenant will constitute an assignment for the purpose of this Lease and will require the prior written consent of Landlord, which consent can be withheld by Landlord in Landlord's sole discretion.

8. Insurance and Indemnity.

8.1 Landlord will maintain insurance insuring the Building for those perils and in amounts which would be considered prudent for similar property situated in Cadillac, Michigan.

8.2 Tenant will, at its sole expense, during the term hereof, obtain and keep insurance in effect insuring Tenant, Landlord and all lenders related to the Building, as their interests may appear, in accordance with the following:

A. Fire and extended coverage insurance on all property situated in the Premises for which Tenant is legally liable, including, without limitation, all furniture, fixtures, equipment and personal property, and all fixtures and improvements installed or constructed in Premises by or on behalf of Tenant all at an amount equal to the full replacement value of such property. Such insurance will be in such forms and amounts reasonably approved by Landlord.

B. Public liability and property damage insurance including all activities and operations conducted by Tenant and any other person in premises. Such insurance will be written covering Tenant and Landlord in the minimum amount of \$1,000,000 combined single limit public liability or such greater amount as is specified by Landlord and which is comparable for similarly situated buildings.

C. The policies referred to in Paragraphs A and B will provide that the interest of Landlord and its lenders related to the Building will not be invalidated because of any breach or violation of any warranties, representations, declarations or conditions contained in the policies and each such policy will contain a provision waiving any right of contribution by Landlord or its mortgagees under any other insurance available to them.

D. Tenant will provide a certificate of such insurance coverage to Landlord before Tenant will occupy the Premises and throughout the term hereof will provide Landlord with current certificates of such insurance coverage, each of which will state that the

coverage evidenced thereby will not expire except upon at least twenty (20) days prior written notice to Landlord. Such certificate or certificates will name Landlord as an Additional Insured.

E. Any insurance maintained by Tenant pursuant to this Paragraph 8.2 will contain a clause or endorsement under which the insurer waives all rights of subrogation against the Landlord, its agents or employees, with respect to losses payable under such policy or policies.

8.3 To the extent that a loss is covered by insurance in force and recovery is made from such loss, Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies (including extended coverage), provided that this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

8.4 Tenant hereby covenants and agrees to indemnify and hold Landlord harmless from all loss, damage, liability and expense, including attorney fees, resulting from any injury to person or any loss of or damage to any property caused by or resulting from any acts, omission, or negligence of Tenant or any officer, employee, agent, contractor, invitees or visitors of Tenant in or about the Premises or the Building, or from any failure of Tenant to comply with this Lease Agreement.

9. Damage by Fire and Other Casualty.

9.1 If, during the term, the Premises or the Building are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Landlord will restore the Premises or the Building to substantially the same condition as they were in immediately before destruction, if the restoration can be made under the existing laws and can be completed within six (6) months after the date of the destruction in Landlord's opinion. Such destruction will not terminate this Lease.

9.2 If the restoration cannot be made within six (6) months in Landlord's opinion, then within thirty (30) days after the Landlord notifies Tenant that the restoration cannot be made within six (6) months, Tenant may terminate this Lease immediately by giving notice to Landlord. If Tenant fails to so terminate this Lease and if restoration is permitted under the existing laws, Landlord, at its election, can either terminate this Lease or restore the Premises or the Building within a reasonable time and this Lease will continue in full force and effect. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof.

9.3 In case of destruction there will be an abatement or reduction of rent between the date of destruction and the date of completion of restoration, based on the area of the Premises made untenable by the destruction.

9.4 Notwithstanding any term or provision hereof to the contrary, Landlord will not be liable for any damages to Tenant for delays in commencing or completing repairs to the Premises after fire or other casualty resulting from adjustment of insurance claims, governmental requirements, or any cause beyond Landlord's reasonable control.

10. Condemnation.

10.1 If all of the Premises is taken or condemned by any public or quasi-public authority, entity or corporation having the power of eminent domain, this Lease will terminate

effective as of the date of taking. If a portion of the Building not including the Premises is taken or condemned and the remainder is, in Landlord's opinion, not economically usable, Landlord will notify Tenant of the termination of this Lease effective as of the date of taking.

10.2 If a portion of the Premises is taken or condemned, either Landlord or Tenant may terminate this Lease effective as of the date of taking by written notice to the other. If neither Landlord nor Tenant terminates and the remainder is economically usable by Tenant, this Lease will terminate as to the portion taken effective as of the date of taking and continue as to the remainder. Landlord will, to the extent reasonable, use the award from such condemnation proceedings, to repair and restore the remainder to its condition as of the date of taking if the Lease is not terminated. Tenant's monthly rent hereunder will be reduced by the ratio of the area taken to the area of the Premises prior to the taking.

10.3 A voluntary sale or transfer in lieu of, but under the threat of, condemnation will be considered a taking or condemnation.

11. Surrender at Termination.

11.1 Upon the expiration or other termination of this Lease, Tenant will immediately surrender possession of the Premises, including fixtures which are a part of the Premises, to Landlord, broom-clean, and in the condition as received or first installed, ordinary wear and tear excepted.

11.2 All fixtures, equipment, improvements and appurtenances attached to, or built into, the Premises at the commencement or during the term hereof, including floor to ceiling partitions, doors, hardware, window treatments and carpeting, will be and remain part of the Premises and upon their construction and installation will be deemed the property of Landlord and will not be removed by Tenant. All electric, ventilation, silencing, air conditioning, and cooling equipment will be deemed to be included in such fixtures, equipment, improvements, and appurtenances, whether or not attached to or built into the Premises.

11.3 Upon expiration or other termination of this Lease, Tenant, at its expense, will remove all office furnishings, equipment and improvements which are not fixtures and are not the property of Landlord. Tenant agrees that it will pay the cost of repairing any damage to the Premises or the Building arising from removal of any property which Tenant is permitted or obligated to remove from the Premises. Any property left on the Premises after the expiration or termination of this Lease will be deemed conclusively to have been abandoned and to be the property of Landlord to dispose of as Landlord deems most expedient, at Tenant's expense. Such disposal options may include, in Landlord's sole discretion, the following: Landlord may store such property at Tenant's expense until all indebtedness owed to Landlord is paid, retain such property in satisfaction of such indebtedness, sell such property and apply the net sale proceeds to such indebtedness, or discard such property. If Tenant caused the lighting layout or heating, ventilating or air conditioning systems to be altered from building standard layouts, then, unless Landlord will otherwise agree in writing, at the expiration or termination of this Lease, Tenant will pay to Landlord an amount equal to the cost to replace such nonstandard layouts to building standard layouts.

11.4 Tenant will indemnify and hold Landlord harmless against any loss or liability resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made by any succeeding tenant.

12. Default.

12.1 If Tenant fails to make any payment of rent within seven (7) days after it becomes due and payable; or if any other default will be made or suffered by Tenant in any of the other covenants and conditions of this Lease required to be kept or performed by Tenant (other than payment of rent), and if Tenant fails to cure such default or defaults within thirty (30) days after written notice given in any manner (by mail, by posting on the door of the Premises, or otherwise, at Landlord's option) by Landlord to Tenant, specifying the default or defaults complained of; or if Tenant's leasehold interest is levied on execution; or if Tenant or any guarantor of this Lease becomes bankrupt or insolvent or makes an assignment for the benefit of creditors; or if Tenant abandons the Premises; then Landlord may, in addition to any other right or remedy provided by law, terminate this Lease by written notice or may re-enter into and repossess the Premises and may relet the Premises or any part thereof for any term, either shorter, longer, or the same, at a higher, lower, or the same rent, making such alterations as may be necessary. Tenant will pay, as Additional Rent, all of Landlord's expenses in connection with reletting resulting from Tenant's default, including, without limitation, all repossession costs, brokerage commissions, alteration costs and legal expenses including reasonable attorney fees. Upon any payment default or other default, Landlord may pursue any right or remedy provided by law or this Lease Agreement, and if Tenant moves to another state, Landlord may obtain a judgment against Tenant in Michigan or in such other state and may collect upon any assets of Tenant located in any state.

12.2 Landlord may, at any time after re-entry, elect to terminate this Lease for the default giving rise to such re-entry or may terminate this Lease at any time when there is an uncured Tenant default. This Lease will also be terminated by any reletting by Landlord after re-entry. No act by Landlord other than reletting the Premises or giving written notice of termination to Tenant will terminate this Lease.

12.3 Tenant will pay to Landlord all rent due under this Lease on the dates the rent is due until this Lease is terminated, whether or not Landlord has re-entered the Premises. Upon default, Landlord, at its option, may accelerate and declare due the entire balance of Rent payable under this Lease during the remaining balance of the term of this Lease. On termination of this Lease, Landlord has the right to recover from Tenant all then unpaid rent, including accelerated rent, and any other amount necessary to compensate Landlord for all damages proximately caused by Tenant's default.

12.4 If either Landlord or Tenant commences an action against the other as the result of a breach or alleged breach of this Lease, the prevailing party will be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

12.5 If Landlord shall default hereunder, Tenant shall give written notice of such default and Landlord shall have thirty (30) days thereafter in which to cure such default or such longer period as may be reasonably necessary to cure such default. In no event shall Landlord's liability to Tenant exceed the amount of the Base Rent owed during the term of this Lease. If Tenant obtains a judgment against Landlord, Tenant's sole remedy shall be to proceed with execution against the Building, and Landlord shall have no personal liability for such judgment.

12.6 All rights and remedies of Landlord under this Lease Agreement are cumulative and nonexclusive.

13. Mortgages.

13.1 This Lease is and will be subject and subordinate to any mortgage or mortgages (hereinafter collectively referred to for convenience a "Underlying Mortgage") which will at any time be a lien upon the Premises or the Building. Tenant agrees that it will execute upon demand and deliver such instruments as will be required by the holder of any Underlying Mortgage to confirm or give effect to the subordination set forth above.

13.2 In the event of any sale of the Building or proceedings which are brought for the foreclosure or enforcement of an Underlying Mortgage, or in the event of the conveyance by deed in lieu of foreclosure or enforcement of an Underlying Mortgage, Tenant hereby covenants and agrees to attorn to any such mortgage foreclosure sale purchaser or grantee of a deed in lieu of foreclosure or enforcement and to execute any instrument in writing reasonably satisfactory to such purchaser or grantee whereby Tenant agrees to attorn to such successor in interest and recognizes such successor as Landlord under this Lease, provided, however, such purchaser or grantee will agree in writing to thereafter perform Landlord's obligations under this Lease.

13.3 Within ten (10) days of each request by Landlord, Tenant agrees to execute, acknowledge, and deliver to the Landlord a statement in writing certifying: (1) that this Lease is unmodified and in full force and effect (of if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (2) the dates to which the Base Rent, Additional Rent and such other charges have been paid in advance, if any, and (3) stating whether or not to the best knowledge of the signer of such certificate the Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge. Tenant understands and agrees that each such statement may be relied upon by any prospective assignee of any mortgage or by any new mortgagee of the Building.

14. Quiet Enjoyment.

14.1 The Landlord covenants that so long as the Tenant is not in default under this Lease, the Tenant will quietly enjoy the Premises, subject to the covenants, agreements, terms, provisions, and conditions of this Lease and to the Underlying Mortgage to which this Lease is subject and subordinate.

15. Security Deposit.

15.1 Tenant will deposit with Landlord the Security Deposit stated on the Lease Cover Page, which Landlord will retain as security for the faithful performance by Tenant of all of the covenants, terms, conditions, and agreements of this Lease. The Security Deposit, if not applied toward an arrearage in rent or other payments or toward the payment of damages suffered by Landlord by reason of Tenant's defaults, will be returned to Tenant at the end of the term of this Lease, but in no event will Landlord be obligated to return such deposit to Tenant until Tenant has vacated the Premises and delivered possession to Landlord and all of the covenants of this Lease which survive such expiration have been fully performed. In the event Landlord repossessed itself of the Premises because of Tenant's default under the terms of this Lease, Landlord may, but will not be obligated to, apply the Security Deposit to all damages suffered to the date of such repossession. Landlord will not be obligated to keep the Security Deposit as a separate fund, and Tenant will not be entitled to any interest on the Security Deposit.

15.2 Tenant hereby releases and discharges Landlord of and from all responsibility for the return of the Security Deposit in the event of a bona fide sale of the Building,

provided that the purchaser assumes in writing Landlord's obligation to return the Security Deposit to the Tenant as provided by this Lease.

16. Miscellaneous Provisions.

16.1 Notices. All notices and demands which may or are required to be given by either party to the other will be in writing and will be by United States first class or certified mail (return receipt requested) addressed to Tenant at the Premises and to Landlord at the address indicated on the Lease Cover Page, or to such other place as may be designated by the party. Notice to Tenant may alternatively be given by personal delivery to the Premises.

16.2 Entire Agreement. This Lease contains all of the covenants, agreements, terms, provisions and conditions relating to the leasing of the Premises under the Lease.

16.3 Amendment. This Lease may be amended only by written instrument executed by Landlord and Tenant and no discussions or other verbal understandings will be effective unless in writing executed by Landlord and Tenant.

16.4 Waiver. The failure of the Landlord to insist in any one or more instances upon the strict performance of any one of the terms of this Lease or to exercise any election herein contained will not be deemed to have been made unless expressed in writing and signed by the Landlord.

16.5 Severability. If any terms or provision of this Lease or the application thereof to any person or circumstances will, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby, and each other term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

16.6 Parties Bound. The covenants, agreements, terms, provisions and conditions of this Lease will bind and benefit the successors and permitted assigns of the parties.

16.7 Joint and Several Liability. If the Tenant is more than one party, the obligations imposed by this Lease upon Tenant will be joint and several obligations of all such parties. If there is a guarantor of Tenant's obligations, the obligations imposed on Tenant will be joint and several obligations of Tenant and guarantor. Landlord need not first proceed against the Tenant before proceeding against guarantor. The guarantor will not be released from its guaranty for any reason whatsoever including amendments to the Lease, waivers of default of Tenant, failure to give guarantor any notices to be given Tenant or release of any party liable for payment of Tenant's obligations under this Lease.

16.8 Governing Law. This Lease will be governed by the laws of the State of Michigan.

16.9 Sale or Transfer. Upon any sale or transfer, including transfer by operation of law, of the Building, Landlord shall be relieved from all subsequent obligations and liabilities under this Lease.

16.10 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or

any letter accompanying any check or payment as rent be deemed in accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease as provided.

16.11 Consumer Price Index. Any increase in the Base Rent determined by the Consumer Price Index shall be determined in accordance with any increase in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor, all items indexed for all Urban Consumers – U.S. City Average CPI-U all (1982-84=100), or if such index shall be discontinued, any successor or reasonable substitute index (the "Index"). The adjusted Base Rent for the twelve (12) months succeeding July 31 each year shall be the product found by multiplying the Base Rent in effect immediately prior to adjustment times a fraction, the numerator of which shall be the Index number indicated in the column for "all items" in the month and year of the adjustment and the denominator of which shall be such Index number for the month and year of the last adjustment (or the commencement date in the case of the first adjustment) as the case may be. Following each adjustment of the Base Rent as hereinbefore provided, the term "Base Rent," as used in this Lease, shall be amended to mean Base Rent as adjusted.

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
John P. Meinhardt
Robert J. Engels

RESOLUTION NO.

FOURTH STREET & FIFTH STREET ALLEY IMPROVEMENT
SPECIAL ASSESSMENT DISTRICT

RESOLUTION NO. 3
CONFIRMATION OF SPECIAL ASSESSMENT ROLL

Minutes of a Special Meeting of the City Council of the City of Cadillac, held in the Council Chambers, Cadillac Municipal Complex, 200 Lake Street, Cadillac, Michigan, on June 27, 2017, at 6:00 p.m.

PRESENT: Councilpersons _____

ABSENT: Councilpersons _____

WHEREAS, the City Assessor has prepared a special assessment roll for the purpose of defraying the costs of improving an alleyway located between Fourth and Fifth Streets within the City (the "Improvements"), which is attached as **Exhibit A**; and

WHEREAS, the City Council conducted a public hearing regarding the special assessment roll on June 19, 2017, at 6:00 P.M.; and

WHEREAS, after conducting the public hearing and after carefully reviewing the special assessment roll, the Council deems it advisable and necessary to proceed

with the special assessment for the Improvements and deems the assessments contained in the special assessment roll to be in accordance with the benefits to be derived by each parcel of land assessed;

WHEREAS, the Council has not received written objections by owners of more than one-half (1/2) of the property to be assessed;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby determines to make the Improvements and to defray the cost by special assessment upon the properties specially benefited in proportion to the benefits to be derived.

2. The City Council hereby approves the profiles, plans, specifications, and detailed estimates of cost for the Improvements.

3. The City Council hereby designates the lots and parcels of land set forth in Exhibit A, attached hereto and made a part hereof, as the property to comprise the special assessment district upon which the special assessments shall be levied.

4. The special assessment roll prepared by the City Assessor, attached as Exhibit A, is hereby confirmed and shall be known as Fourth Street & Fifth Street Alley Improvement Special Assessment Roll No. 1 (the "Roll").

5. The Roll shall be divided into 10 (ten) equal annual installments, each of which installments shall be due and payable on July 1 of each year. The first installment shall be due and payable on July 1, 2018. Interest shall be payable

annually on each installment due date at a rate of interest of one and 22/100 percent (1.22%).

6. All special assessments contained in any special assessment rolls, from the date of confirmation of such roll, constitute a lien upon the respective lots or parcels of land assessed and until paid shall be a charge against the respective owners of the several lots and parcels of land and a debt to the City from the persons to whom they are assessed. Such lien shall be of the same character and effect as the lien created by the City Charter for City taxes and shall include accrued interest and fees. Interest commences July 1, 2017.

7. The City Clerk is hereby directed to endorse the date of confirmation on the roll.

8. All Resolutions and parts of Resolutions that conflict with the provisions of this Resolution are hereby rescinded insofar as they conflict with this Resolution.

AYES: Councilpersons _____

NAYS: Councilpersons _____

Sandra Wasson, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a Resolution adopted by the City Council of the City of Cadillac, Michigan, Wexford County, at a Special Meeting held on the 27th day of June, 2017, and that public notice of said meeting was given as required by Public Act 267 of Public Acts of 1976, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Sandra Wasson, City Clerk
Cadillac Municipal Complex
200 Lake Street
Cadillac, Michigan 49601
Telephone No: (231) 775-0181

EXHIBIT A

SPECIAL ASSESSMENT ROLL

Owner & Mailing Address	Tax Code Number	Assess Front Feet	Est. Cost Per Front Foot	Total Assessment
Michael Grogan 407 Fifth Street	61-00-102	100	N/A	\$2,571.43
David Suchecki 915 Second Avenue	61-00-104	55	N/A	\$2,571.43
Nancy McKinley 911 Second Avenue	61-00-105	45	N/A	\$2,571.43
Willard Combs 905 Second Avenue	61-00-106	50	N/A	\$2,571.43
Christopher Hamilton 901 Second Avenue	61-00-107	50	N/A	\$2,571.43
Jamie Kerns 712 Fourth Street	61-00-108	150	N/A	\$2,571.43
Gary Moomey 411 Fifth Street	61-00-114	150	N/A	\$2,571.43
			TOTAL	\$18,000.00

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
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Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
John P. Meinhardt
Robert J. Engels

RESOLUTION NO. _____

**RESOLUTION OPPOSING CHANGES TO THE MICHIGAN ZONING
ENABLING ACT AND ELIMINATION OF LOCAL GOVERNMENT'S ABILITY
TO REGULATE SHORT-TERM RENTALS**

At a special meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 27th day of June, 2017, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and seconded by _____.

WHEREAS, the City of Cadillac is a hub for tourism which utilize short-term rentals; and

WHEREAS, the City finds it imperative to regulate short-term rentals and their activities to ensure quality of life for its residents; and

WHEREAS, city neighborhoods generally do not have the benefit of protective condominium association or neighborhood association covenants, with provisions that address residents' concerns associated with short-term rentals; and

WHEREAS, there are a variety of factors associated with short-term rentals that should be addressed at the local level to ensure that the public health, safety and welfare of communities and neighborhoods are protected; and

WHEREAS, each community has the authority to establish zoning regulations, including

regulations applicable to short-term rentals, to control land use that both accounts for the character of the community and mitigates adverse impacts within the community; and

WHEREAS, under its current work program, the City has already begun conducting a complete review and revision of its zoning ordinance, including consideration and research of this emerging land use issue; and

WHEREAS, the City intends to develop and include reasonable accommodation and regulations for short-term rentals, following a public outreach program to gather information and consider regulations that are best suited for the City of Cadillac; and

WHEREAS, the City believes that control of zoning and land use issues are a matter of local concern and that it and other communities are uniquely situated to determine what if any land use regulations are appropriate; and

WHEREAS, the City does not support the erosion of local control over land use and zoning decisions set forth in House Bill 4503 or Senate Bill 329 and does not believe that a “one size fits all” approach to local land use and zoning decisions protect the health, safety or welfare of each individual community across this State.

NOW, THEREFORE, the City Council of the City of Cadillac, Wexford County, Michigan, resolves as follows:

1. The City Council of the City of Cadillac opposes House Bill 4503 and Senate Bill 329 and urges its representatives to reject a “one size fits all” approach to our local communities.
2. The City Council of the City of Cadillac opposes House Bill 4503 and Senate Bill 329 because the bills further erode local control of land use and zoning

decisions and communities, like the City of Cadillac, are uniquely situated and able to determine the scope and applicability of land use and zoning regulations to foster and promote a thriving community and tourist destination while simultaneously protecting the public health, safety and welfare.

3. The City Council of the City of Cadillac opposes House Bill 4503 and Senate Bill 329 because the bills threaten the integrity of this State's zoning enabling legislation and traditional zoning process.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN	)
	)ss
COUNTY OF WEXFORD	)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. ____, duly adopted at a special meeting of the City Council held on the 27th day of June, 2017.

Sandra Wasson
Cadillac City Clerk