



January 13, 2026

Bidder:

The City of Traverse City will receive sealed bids in the Office of the City Manager, second floor, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, 49684, until Wednesday, February 4, 2026 at 10:00 a.m. (EST) for the following:

**Carnegie Building Operation and Lease  
(specifications attached)**

If the specifications are obtained from the City's website link at: [City of Traverse City Bids](#), it is the sole responsibility of the Bidder to check the website for updates and addenda prior to the bid being submitted. Bidder may also sign up to receive notifications when bids are posted by sending an e-mail requesting same to [ksheridan@traversecitymi.gov](mailto:ksheridan@traversecitymi.gov)

The City of Traverse City reserves the right to accept or reject any or all bids, waive irregularities, and to accept the bids either on an entire or individual basis that is in the best interest of the City. The City accepts no responsibility for any expense incurred by the Bidder in the preparation and presentation of a bid. Such expenses shall be borne exclusively by the Bidder. Only the successful Bidder will be notified.

You must indicate on the outside of the sealed envelope that the bid is for the "Carnegie Building Operation and Lease." You must submit **two (2) sealed copies** of the bid to the City Manager's Office prior to the above-indicated time and date or the bid will not be accepted. Alternatively, emailed bids *will be* accepted. Please indicate in the subject line of your e-mail that you are submitting a "Sealed Bid" together with the project description, "Carnegie Building Operation and Lease," and submit your emailed bid to [tcmanage@traversecitymi.gov](mailto:tcmanage@traversecitymi.gov) before 10:00 a.m. (EST) on Wednesday, February 4, 2026.

Please note that if you have previously submitted an informal quote, you will still need to submit a sealed bid prior to the date and time specified above in order to be considered. Please ensure that all requirements listed in the specifications are met. If you have any questions, please contact Deputy City Manager, Deborah Allen, at [dallen@traversecitymi.gov](mailto:dallen@traversecitymi.gov) before the bid is submitted.

PLEASE SUBMIT BID TO:

Kim Sheridan, Purchasing Agent  
400 Boardman Avenue, 2<sup>nd</sup> floor  
Traverse City, MI 49684  
tcmanage@traversecitymi.gov

## INTENT

This Request for Proposals (RFP) provides the opportunity for any interested community, civic or non-profit organization, hereinafter referred to as “Offeror” to submit proposals to the City of Traverse City (CITY, ‘Lessor’) to lease City of Traverse City Carnegie Building for a Commercial use under the following terms and conditions as listed in the Sample Lease Exhibit “B”.

The Carnegie Building was built in 1905 after a donation from Andrew Carnegie.

The City of Traverse City is exploring leasing opportunities for select historic and public buildings to ensure they are actively used, well-maintained, and accessible to residents and visitors. Rather than leaving these properties underutilized or relying solely on City resources for upkeep, leasing allows organizations or businesses to bring new life, services, and experiences to these spaces while preserving their unique character.

Community Benefits:

- Public Access: Management Agreements are prioritized for uses that allow residents and visitors to enjoy the buildings through programs, events, or services.
- Historic Preservation: Managed properties will be cared for in ways that respect and highlight their historic and public value.
- Economic Viability: Active use of these buildings supports local jobs, attracts visitors, and strengthens the downtown and neighborhood economy.
- Cultural Engagement: The preferred identified uses for this building have been prioritized for educational, historical, cultural, environmental opportunities as well as the arts.
- Community Engagement: Managing operations will be encouraged to partner with local organizations, schools, and community groups, creating opportunities for diverse programming and public participation.
- Sustainability and Stewardship: Managed operations are expected to follow environmentally responsible practices and maintain the buildings for future generations.

Leasing these buildings ensures that public assets are not left vacant or underutilized, reduces the financial burden on the City, and allows creative, community-minded organizations to activate these spaces in ways that enrich the city for everyone. This approach balances preservation, public access, and financial sustainability while keeping these properties vibrant, safe, and meaningful for the community.

### Overview of the Property Offered for Lease

The Carnegie Building is located at 322 Sixth Street, Traverse City, Michigan 49684

The building is a split level 11,500 square foot facility. The actual space being made available in this proposal includes approximately 8,000 square feet of the facility omitting the Bottom Floor – basement level of the original Traverse City library. There was a two level addition constructed on the east side of the building in the mid 1960’s. The capacity of the building is 451.

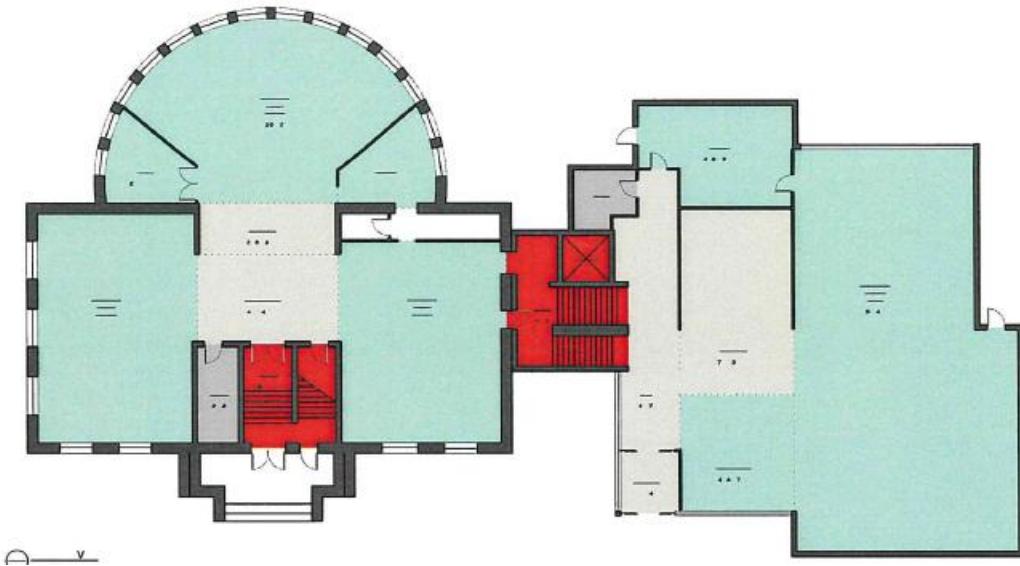
## KEY PURPOSE:

Emphasis on education, culture, environment and the arts.

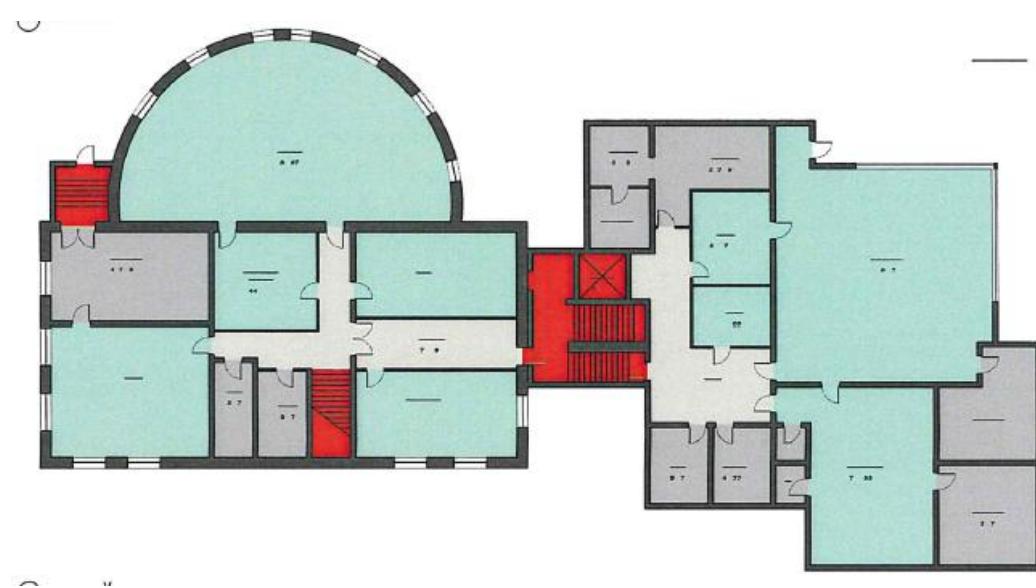
## FLOOR PLAN OF THE CARNEGIE BUILDING:

### *Exhibit A – The Premises*

#### First Floor – main floor, ground level



#### Bottom Floor – basement level



## **Allowed Uses of the Lease Premises**

The property for lease may not be used for the following sole purposes: restaurant or retail operations.

The City reserves the right to utilize the Carnegie Building as a polling location for elections and for various storage needs.

## **Key Information about this building**

- **Planned City Improvements:** As part of the City's Capital Improvement Plan, the City plans to replace all the windows in the historic building. Replace and upgrade the existing HVAC air handlers. No determined timeline has been set for these capital improvements.
- **Building Improvements by Lessee:** Subject to City approval, any improvements must be provided in writing to the City and approved.
- **Historic Preservation:** Due to the historic status of the original library rotunda building, the character defining features of the building and surrounding landscape must be maintained. Lessee shall make every effort to utilize efficient energy and develop and implement a comprehensive plan for energy and water conservation.

## **Terms and Conditions**

The proposed terms and conditions of the offered Lease are as described in Attachment A, "Sample Lease" included in this RFP.

### **Rent**

The fixed annual agreement rate shall be \$95,000. The management agreement will be set to increase 5% annually on the anniversary date of implementation of this agreement.

### **Term**

The term of the lease shall be for 5 years upon execution of the lease agreement.

### **Competitive Process**

This Lease opportunity is open to all interested persons and businesses on a competitive basis. Whoever submits the proposal judged best under the proposal selection criteria will be given an opportunity to negotiate a final Lease agreeable to both the selected offeror and City.

### **Mandatory Pre-bid On Site Tour and Additional Information**

A mandatory site tour will be offered to those interested in submitting a proposal. The tour will take place on Wednesday, January 21, 2026 at 1:00 p.m., and can be coordinated by contacting City Facility Manager, David Wohlfert at [dwohlfert@traversecitymi.org](mailto:dwohlfert@traversecitymi.org). Questions regarding this lease opportunity must be sent to Deputy City Manager, Deborah Allen at [dallen@traversecitymi.gov](mailto:dallen@traversecitymi.gov) subject line, "Carnegie Building Operation and Lease RFP".

### **Key Dates for this Request for Proposals**

**RFP Release:** January 13, 2026

**Mandatory Site Tour:** Wednesday, January 21, 2026 at 1:00 p.m. with David Wohlfert at [dwohlfert@traversecitymi.org](mailto:dwohlfert@traversecitymi.org)

**Initial Proposal Submittal Deadline:** February 4, 2026 at 10:00 a.m. (EST).

**Anticipated Date for Selection of Qualified Proposals Interviews:** February 12, 2026

**Anticipated Lease Effective Date:** November, 2026

## **Required Documents**

Proposals must be submitted electronically to: [tcmanage@traversecitymi.gov](mailto:tcmanage@traversecitymi.gov)

The following documents are required for a complete proposal

1. A letter signed by all managing members, owners, partners, or officers within your organization
2. Your Proposal, with clearly labeled sections for:
  - a. Offeror Identification
  - b. Criterion 1: Proposed Facility Use and Operations Plan
  - c. Criterion 2: Community Benefit and Value
  - d. Criterion 3: Financial Sustainability
  - e. Criterion 4: Organizational Capacity and Experience
  - f. Criterion 5: Environmental Stewardship
  - g. Criterion 6: Accessibility and Inclusivity
  - h. Criterion 7: Community Partnerships and Engagement
  - i. Criterion 8: Historic Preservation
3. Identification and Credit Information for Community Civic/Non Profit Entities

Applies to non-profit corporations, LLCs, partnerships, or other business entities:

Existing Entity:

- Financial Statements for the last 2 years.
- Supporting earnings, bank, or investment account statements.
- A credit report for the business entity with credit score from the last 30 days.

New Business Entity (created for this project):

- Financial Statements for all principals, showing total assets, liquid assets, and financial liabilities.
- Credit reports for all principals with credit scores issued within the last 30 days.

4. Financial Information Required

Provide both of the following:

- Financial Statements (business, as applicable).
- Financial Projections for the proposed operations.

## **REQUIRED INFORMATION**

### **Criterion 1: Proposed Facility Use and Operations Plan**

This section should describe your overall vision for the property and demonstrate that your proposed use is compatible with the building and beneficial to the community.

- a. Provide a clear explanation of your proposed use(s) and why they are well-suited to the facility.
- b. Submit a detailed operating plan describing normal hours of operation, business functions, and management structure.
- c. Provide specific examples of products, services, programs, or events you will offer, including sample pricing models if applicable.
- d. Estimate the number of occupants, expected daily visitors or customers, staffing levels (full-time, part-time, and seasonal), and parking needs for employees and patrons.
- e. Provide a detailed plan for any building improvements or modifications required to support your use, including timelines and compliance with building codes and ADA requirements.

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### **Criterion 2: Community Benefit and Value**

This section should demonstrate how your proposal will create a meaningful and measurable benefit to Traverse City residents and the broader community.

- a. Describe how your operations will enhance the quality of life for residents, contribute to the local economy, and support cultural or recreational opportunities.
- b. Explain how your proposal aligns with the City's Strategic Action Plan, Citywide Master Plan, and Parks and Recreation Master Plan.
- c. Provide a detailed plan for community engagement, including strategies for involving a diverse cross-section of residents in programming, events, and decision-making.
- d. Identify specific opportunities for public access to the facility.

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### **Criterion 3: Financial Sustainability**

This section should demonstrate your ability to meet the financial requirements of the proposal and ensure long-term stability.

- a. Provide proof of available funds to cover start-up and operational costs (e.g., bank statements, financing commitments, investment accounts).
- b. Submit evidence of a proven financial track record, including recent credit reports and documentation of past success in meeting financial obligations.
- c. Provide a detailed pro forma that includes:
  - Start-up costs and capital investments.
  - Stabilized revenues and all projected operating expenses.
  - All revenue sources, fees, and pricing assumptions.
  - Inflation and occupancy assumptions.
  - Five-year projections (or through the lease term).

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## **Criterion 4: Organizational Capacity and Experience**

This section should demonstrate your qualifications and ability to successfully operate and manage the property.

- a. Provide resumes of owners and key managers highlighting experience in facility management, operations, sales, and marketing.
- b. Provide descriptions of at least three similar projects, outlining your role, responsibilities, and results achieved.
- c. Describe your direct experience with managing comparable facilities, including the length of operation, programming offered, and any capital repairs or improvements you have completed.
- d. Demonstrate your organizational structure and how responsibilities will be assigned.

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## **Criterion 5: Environmental Stewardship**

This section should describe how your operations will protect and enhance the environment.

- a. Describe practices for ecological protection, such as landscaping with native plants or habitat preservation.
- b. Explain measures for energy conservation, such as efficiency upgrades, renewable energy use, or operational policies.
- c. Describe water conservation strategies, including low-flow fixtures, irrigation practices, or stormwater management.
- d. Outline a waste reduction and recycling program, including composting or reuse efforts.
- e. Identify opportunities to engage staff, patrons, and the public in sustainability education.

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## **Criterion 6: Accessibility and Inclusivity**

This section should demonstrate how your proposal ensures equitable access and a welcoming environment for all.

- a. Describe how your facility will comply with ADA requirements and incorporate universal design principles.
- b. Explain how your operations will promote social inclusivity, ensuring people of different ages, abilities, incomes, and cultural backgrounds feel welcome.
- c. Provide strategies for equitable pricing and access, such as scholarships, free/low-cost programming, or tiered fees.
- d. Identify policies, staff training, or initiatives that will support diversity, equity, and inclusion (DEI).
- e. Describe how you will measure and improve accessibility and inclusivity over time.

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## **Criterion 7: Community Partnerships and Engagement**

This section should demonstrate how your proposal will strengthen connections with local organizations and engage residents in meaningful ways.

- a. Describe plans for partnerships with local nonprofits, schools, businesses, and community groups to expand the reach and impact of your operations.
- b. Explain how you will actively engage residents in shaping programs, services, or events offered at the facility.
- c. Provide examples of how you will share space, resources, or expertise with partners to maximize community benefit.
- d. Outline your approach for ongoing communication and feedback, such as advisory committees, surveys, or community meetings.
- e. Demonstrate how your proposal will build sustainable, long-term relationships that foster collaboration and strengthen community cohesion.

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## **Criterion 8: Historic Preservation**

This section should demonstrate how your proposal will respect, preserve, and enhance the historic value of the property.

- a. Explain how your proposed use will acknowledge and highlight the historic significance of the facility.
- b. Provide details on how you will preserve, restore, or adaptively reuse the building's historic features while ensuring modern functionality.
- c. Outline any modifications or improvements required and how they will be completed in accordance with historic preservation standards and guidelines.
- d. Describe opportunities to educate or engage the public with the property's history, such as interpretive signage, tours, or programming.
- e. Identify partnerships with local preservation groups, historical societies, or experts to guide and support your efforts.

## **Evaluation and Selection Process**

The City will review all responses to this RFP through an evaluation panel of City staff. The City will not consider incomplete proposals or proposals submitted after the deadline. The City may request from any Offeror additional information or written clarification of a proposal after the submission date. Follow up interviews will be scheduled to further refine and provide clarification for the evaluation panel at the City's discretion.

The City reserves the right to reject one or all proposals, terminate lease negotiations, or cancel this RFP Solicitation at any time prior to executing a final lease without penalty or liability.

**Bidder - Please complete and return**

**BID SUMMARY**

**TITLE: CARNEGIE BUILDING OPERATION AND LEASE**

**DUE DATE: FEBRUARY 4, 2026 @ 10:00 a.m. (EST)**

Having carefully examined the attached specifications and any other applicable information, the undersigned proposes to furnish all items necessary for and reasonably incidental to the proper completion of this bid. Bidder submits this bid and agrees to meet or exceed all requirements and specifications unless otherwise indicated in writing and attached hereto.

Bidder certifies that as of the date of this bid the Company/Organization is not in arrears to the City of Traverse City for debt or contract and is in no way a defaulter as provided in Section 152, Chapter XVI of the Charter of the City of Traverse City.

Bidder understands and agrees, if selected as the successful Bidder, to accept the City's standard Purchase Order / Service Order / Contract, the terms of which are not negotiable, and to provide proof of the required insurance.

Bidder submits this bid and agrees to meet or exceed all the City of Traverse City's requirements and specifications unless otherwise indicated in writing and attached hereto. Bidder shall comply with all applicable federal, state, local and building codes, laws, rules and regulations and obtain any required permits for this work.

The Bidder certifies that it is in compliance with the City's Nondiscrimination Policy as set forth in Administrative Order No. 47 and Chapter 605 of the City's Codified Ordinances.

The Bidder certifies that none of the following circumstances have occurred with respect to the Bidder, an officer of the Bidder, or an owner of a 25% or more share in the Bidder's business, within 3 years prior to the bid:

- (a) conviction of a criminal offense incident to the application for or performance of a contract;
- (b) conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense which currently, seriously and directly reflects on the Bidder's business integrity;
- (c) conviction under state or federal antitrust statutes;
- (d) attempting to influence a public employee to breach ethical conduct standards; or
- (e) conviction of a criminal offense or other violation of other state, local, or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which in the opinion of the City indicates that the bidder is unable to perform responsibility or which reflects a lack of integrity that could negatively impact or reflect upon the City of Traverse City, including but not limited to, any of the following offenses or violations of:
  - i. The Natural Resources and Environmental Protection Act.

- ii. A persistent and knowing violation of the Michigan Consumer Protection Act.
- iii. Willful or persistent violations of the Michigan Occupational Health and Safety Act.
- iv. A violation of federal, local, or state civil rights, equal rights, or non-discrimination laws, rules, or regulations.
- v. Repeated or flagrant violations of laws related to the payment of wages and fringe benefits.

(f) the loss of a license or the right to do business or practice a profession, the loss or suspension of which indicates dishonesty, a lack of integrity, or a failure or refusal to perform in accordance with the ethical standards of the business or profession in question.

Bidder understands that the City reserves the right to accept any or all bids in whole or part and to waive irregularities in any bid in the best interest of the City. The bid will be evaluated and awarded on the basis of the best value to the City. The criteria used by the City may include, but will not be limited to: ability, qualifications, timeframe, experience, price, type and amount of equipment, accessories, options, insurance, permits, licenses, other pertinent factors and overall capability to meet the needs of the City. The City is sales tax exempt – Government.

Bidder agrees that the bid may not be withdrawn for a period of sixty (60) days from the actual date of the opening of the bid.

Submitted by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (Print)

Phone \_\_\_\_\_ Fax \_\_\_\_\_

**EMAIL ADDRESS:** \_\_\_\_\_

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Company Address

City, \_\_\_\_\_ State, \_\_\_\_\_ Zip \_\_\_\_\_

\_\_\_\_\_  
Sole proprietorship/partnership/corporation

\_\_\_\_\_  
If corporation, state of corporation

## **EXHIBIT "B"**

### **LEASE AGREEMENT**

This Lease has been entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the CITY OF TRAVERSE CITY, a Michigan municipal corporation, of 400 Boardman, Traverse City, Michigan, 49684, ("Landlord") and \_\_\_\_\_, of \_\_\_\_\_ ("Tenant").

In consideration of the mutual covenants herein contained, the Landlord and the Tenant agree as follows:

1. Premises. Landlord leases to Tenant, and Tenant hires from Landlord, on the terms and subject to the conditions herein contained, those portions of the building located at 322 Sixth Street, Traverse City, Michigan, commonly known as the Carnegie Building (Tax Parcel ID 28-51-103-015-10, the "Building"), which are attributed to the Tenant on the attached **Exhibit A**, which is hereby incorporated herein by reference (the "Premises"). Tenant may use the kitchen for a breakroom for its employees and volunteers and as a staging area for catered events. The kitchen may not be used for food preparation or for any commercial purpose. The Tenant may use the boardroom subject to the City's building use policy at no charge.
2. Term. The term of this Lease shall be three (3) years commencing on \_\_\_\_\_ and continuing through \_\_\_\_\_, subject to the provisions of this Lease Agreement.
3. Rent. The fixed annual rent for the Premises shall be \_\_\_\_\_ (\$\_\_\_\_,000.00) payable in quarterly installments. Rent for the first quarter shall be due upon execution of this Lease and quarterly thereafter upon invoice from the Landlord. The first quarterly payment may be prorated if necessary to account for the actual execution date of this Lease.
4. Utilities. Landlord shall pay all charges for water, sewer, heat, gas, electricity, and solid waste collection during the term of this Lease. Tenant shall pay all charges for telephone and internet service during the term of this Lease.
5. Acceptance of Premises. Except as Landlord and Tenant may otherwise agree in writing, the taking of possession by Tenant shall be conclusive evidence that, at such time, the Premises were in satisfactory or acceptable condition. Landlord has made no representations as to the condition of the Premises except as provided and Landlord shall not be liable for any latent or patent defects therein.
6. Use of the Premises. Tenant shall use and occupy the Premises for \_\_\_\_\_ offering services including \_\_\_\_\_, and shall not use the Premises for any other purpose without the prior written consent of the Landlord. The Premises shall be open to the public during all hours of operation. Ticketed events that are open to the public are permitted on a limited basis. Generally hours of operation shall be Monday through Saturday, 10:00am through 5:00pm, although these hours may be altered for special events or for other good cause approved by the City Manager. Tenant acknowledges that it has made its own determination as to the suitability

of the Premises for this use, and that the Landlord has made no representations with respect thereto. Tenant agrees that its use and occupancy shall conform in all respects to all applicable statutes, ordinances, rules, regulations and orders. Tenant shall not cause or permit any unsafe, offensive or obnoxious activity or public nuisance on the Premises. Tenant hereby expressly agrees that the Building will continue to serve as a polling location/precinct for elections. Tenant hereby expressly agrees that the upper level of the Cornwell Addition may be used by the Landlord during the term of this Lease for the Festival of Trains event, which has traditionally been held in December and January each year. During the Festival of Trains event the Landlord shall allow Tenant to use the upper level of the Carnegie portion of the Building in the same manner as it would otherwise be entitled to use the Premises according to the terms of this Lease.

7. Improvements, Alterations and Renovation. No construction, alteration, or remodeling may be made to the Premises without obtaining the prior express written permission of the City Manager. Any such alterations, additions or improvements and the construction of them shall be the legal and financial responsibility of the Tenant and shall in addition conform in all respects to all applicable statutes, ordinances, rules, regulations and orders. Tenant shall commit no waste on the premises. Landlord may install a permanent partition to allow for locked, restricted access to the upper level of the Cornwell Addition if requested by the Tenant. Landlord shall seek input from the Tenant regarding the placement and specifications of the wall prior to its construction, however Landlord shall make the final decisions regarding construction of the wall in its sole discretion. Landlord and Tenant shall split the cost of construction equitably as may be agreed upon by the parties.

8. Maintenance and Repair. Tenant shall maintain the Premises in a clean and sanitary condition and shall surrender the Premises at the termination of this Lease in as good a condition as when received, ordinary wear and tear excepted. Tenant agrees to be responsible for any damage caused to the Premises by Tenant or Tenant's sublessees, agents, employees, guests, or invitees.

Landlord shall maintain the HVAC system and other utility systems in the Building at its cost and expense.

Landlord shall maintain the exterior areas of the property including the parking lot, snow removal of the parking lot and lawn/landscaping maintenance. However, Tenant shall maintain all sidewalks, entrances and walkways adjacent to the Building free of snow and ice and in a safe and passable condition.

Landlord shall provide bathroom cleaning services to the Building at least weekly. However, Tenant shall be responsible for day-to-day cleaning responsibilities, for example ensuring adequate bathroom supplies and cleanliness.

Tenant shall immediately submit to the City Manager a written report of any accident occurring on the Premises or any dangerous or unsafe condition or non-routine maintenance issue observed by the Tenant, its agents or employees.

9. Insurance. The Tenant shall procure and maintain during the life of this Lease,

commercial general liability insurance on an occurrence basis with limited liability of not less than one million dollars (\$1,000,000.00) per occurrence or aggregate combined single limit, personal injury, bodily injury and property damage. Such insurance shall include an endorsement stating that the City of Traverse City, all elected and appointed officials, all employees and volunteers thereof, shall be additional insured. Insurance policies required under this Lease shall include an endorsement stating that sixty (60) days advance written notice of cancellation, non-renewal, reduction or material change shall be sent to the City Clerk of the City of Traverse City, 400 Boardman Avenue, Traverse City, MI 49684.

10. Governmental Immunity. This Lease does not constitute a joint endeavor. The parties do not intend to waive any governmental immunity available to a party or an employee or official of a party.

11. Indemnification. To the fullest extent permitted by law, the Tenant agrees to defend, pay on behalf of, indemnify, and hold harmless the Landlord, its elected and appointed officials, employees and volunteers and others working on behalf of the Landlord, against any and all claims, demands, suits or loss, including all costs and attorneys' costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the Landlord, its elected and appointed officials, employees, volunteers or others working on behalf of the Landlord, by reason of alleged personal injury, including bodily injury or death or property damage or by reason of a tort or quasi-contract claim, which arises out of or is in any way connected or associated with this Lease Agreement. This indemnification promise shall not be limited by reason of any insurance policy.

12. Signs. Tenant may erect signs on the Premises or the Building as shall be approved by the City Manager in writing prior to the installation thereof. Tenant shall maintain such signs during the term of this Lease and at the end of the term shall remove the same, at its own cost and expense. All signs must conform to the City's sign ordinance.

13. Tenant's Personal Property and Taxes. All personal property of Tenant kept on the Premises shall be at Tenant's sole risk, and Tenant hereby waives all right of recovery which it might otherwise have against Landlord for any loss, theft or damage that may result from Landlord's negligence. Tenant shall pay promptly when due all taxes levied on personal property owned by Tenant and shall promptly pay when due all real property taxes, if any, levied on the Premises.

14. Destruction - Fire or Other Cause. If the Premises shall be rendered untenantable by fire or other casualty, the insurance proceeds may be used to repair the damage as speedily as possible. In the event such proceeds exceed the cost of such repair, such excess shall belong to Landlord. In the event the Building or the Premises is completely destroyed or so extensively damaged to as to make restoration impractical or uneconomical, this Lease may be terminated by Landlord upon notice thereof to Tenant given within ninety (90) days of such damage. Landlord shall not be responsible for any damages suffered by Tenant as a result of said termination or interruption in Tenant's enjoyment of the Premises.

15. Laws and Regulations. Tenant shall, at Tenant's own cost and expense, comply with all of

the requirements of all laws and regulations, municipal, state and federal, now in force, or which may hereafter be in force, pertaining to the Premises, and the use and occupancy thereof.

16. Assignment and Subletting. Tenant shall not assign, or in any way encumber this Lease, or any part, right or interest thereof, nor shall Tenant let or sublet or permit any part of the Premises to be used or occupied by others for any reason without the prior written consent of the City Manager. No consent by Landlord to an assignment or subletting shall be construed to relieve Tenant from its obligations hereunder or from obtaining Landlord's written consent to any further assignment.

17. Access to Premises. Landlord shall have the right to enter upon the Premises at all reasonable business hours for the purpose of inspecting same, preventing waste, loss or destruction, making repairs or removing obstructions. These hours may be extended upon notice to Tenant or Tenant's agent, for repairs or alterations or to enforce any of Landlord's rights or powers under this Lease. If as a result of any entry by Landlord into the Premises it is necessary to Tenant to suspend operations therein, Tenant's sole remedy shall be abatement of rent for the period of time normal operations are suspended.

18. Subordination. This Lease is subject and subordinate to all underlying leases and mortgages which now or hereafter affect the Premises and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant shall execute promptly from time to time any certificate or other instrument that Landlord may request to confirm this subordination.

19. No Waiver. The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver is in writing.

20. Successors and Assigns. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective distributees, successors, and, except as otherwise provided in this Lease, their assigns.

21. Quiet Enjoyment. Landlord covenants and agrees with Tenant that upon Tenant's paying the rent and observing and performing all the terms, covenants and conditions on Tenant's part to be performed and observed, Tenant may peaceably and quietly enjoy the Premises leased hereby. Tenant and Landlord agree that in the event that the Premises become untenantable due to a casualty not covered by insurance, and not caused by Tenant, Tenant and the Landlord may elect to terminate this Lease with proper notice. Upon termination, neither party shall have any further rights or responsibilities under the terms of this Lease.

22. Impairment of Title. Tenant shall not, directly or indirectly, encumber or impair Landlord's title to the Premises.

23. Termination. Except as otherwise indicated, a party may terminate this Lease upon ninety (90) days advance written notice to the other party. All moveable personal property of the Tenant or any other person other than Landlord shall be promptly removed by the Tenant at the

termination of this Lease. Any fixtures or improvements placed on the Premises with the consent of the Landlord shall become the property of the Landlord upon termination of this Lease. Upon termination, rent shall be pro rated and any amount in excess of the duration of Tenant's occupancy shall be paid to Tenant.

24. Landlord's Remedies on Default. If Tenant defaults in the payment of rent, or defaults in performance of any other covenants or conditions of this Lease, Landlord may give Tenant notice of the default. If Tenant does not cure any default within seven (7) days after the giving of the notice, or, if such default cannot be completely cured within the period, Tenant does not commence the curing within fourteen (14) days and thereafter proceed with reasonable diligence and in good faith to cure the default, then Landlord may terminate this Lease on no less than seven (7) days' notice to Tenant. On the date specified in the notice, this Lease will terminate and Tenant will surrender the Premises to Landlord, but Tenant will remain liable for any default. If this Lease will have been so terminated by Landlord, Landlord may then retake possession of the Premises by any lawful means and remove Tenant or other occupants and its or their effect.

25. Notices. Any notice which either party may, or is required to, give hereunder may be served personally or sent by first class mail, postage prepaid, to the other party at their address above, or at such other places as may be designated in writing by the parties from time to time.

26. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, handicapped status, or marital status. Breach of this covenant may be regarded as a material breach of this agreement.

27. Amendments. Any modifications of this Lease shall be in writing and signed by both parties.

28. Venue and Interpretation. Any and all suits for any and every breach of this Lease may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan. This Lease shall be governed by the laws of the State of Michigan, both as to interpretation and performance.

29. Employees. The personnel employed by the Tenant shall not be deemed to be employees of the Landlord and shall not be entitled to any fringe benefits the City affords its employees. Personnel employed by Tenant shall not hold themselves out as employees of the City.

30. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

31. Severability. In the event that any part of this Lease shall be held invalid, the remainder thereof shall remain in full force and effect.

32. Entire Agreement. This Lease, together with all the items incorporated herein by

reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein.

33. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Lease on behalf of the party to the Lease.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the date first written above.

CITY OF TRAVERSE CITY

\_\_\_\_\_, Mayor

\_\_\_\_\_, City Clerk

TENANT

Its:

APPROVED AS TO SUBSTANCE:

\_\_\_\_\_, City Manager  
City of Traverse City

APPROVED AS TO FORM:

\_\_\_\_\_  
Lauren Trible-Laucht, City Attorney  
City of Traverse City