

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 14, 2015

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **PRAYER:**
- ☐ **PLEDGE OF ALLEGIANCE:**
- ☐ **ROLL CALL:**
- ☐ **HONORS AND AWARDS:**
- ☐ **INTRODUCTIONS/PRESENTATION:**
- ☐ **CITY MANAGER'S REPORT:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes. CITY CLERK**
 - B. Annex Lease CITY MANAGER**
- ☐ **PUBLIC HEARINGS:**
- ☐ **COMMUNICATIONS:**
- ☐ **UNFINISHED BUSINESS:**
- ☐ **NEW BUSINESS:**
 - A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY**
 - 1258 5th Street**
 - 462 Washington Avenue**
 - 1252 5th Street**
 - 1709 Pine**
 - 1370 Sanford**
- ☐ **ANY OTHER BUSINESS:**
- ☐ **PUBLIC PARTICIPATION:**
 - ▶ **Reminder: Individuals who would like to address the City Commission shall do the following:**
 - ▶ **Fill out a request to speak form attached to the agenda or located in the back of the room.**

- ▶ Submit the form to the City Clerk.
- ▶ Be recognized by the Chair.
- ▶ Step forward to the microphone.
- ▶ State name and address.
- ▶ Limit of 3 minutes to address the Commission.
- ▶ (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1- TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: July 09, 2015

We have a number of items on the agenda, and I thought you could use a little background on some of them as you prepare for our meeting next week.

1. Under the consent agenda, we are asking the Commission to approve:
 - a. Last meeting's minutes.
 - b. Approval of a lease for the Annex Building at the LC Walker Arena. This lease will allow a sports training and rehab center move into the facility in partnership with a local healthcare provider to train athletes and with those who have suffered athletic-type injuries. This is a great repurposing of the building. While we do expect that we'll have some out of pocket expenses up front (Up to \$150,000), we also need to recognize that a great portion of that is a result of our own deferred maintenance. There is potential for significant savings from a utility standpoint – likely in excess of \$15,000 annually. There is also a potential for rental income depending on the success of their organization. The greatest benefit is their 50/50 match re: building improvements, their daily use of the Annex, and their intent to bring their arena football team to Muskegon.
2. New Business
 - a. We have five dangerous structures for which we are seeking demolition concurrence from the commission. All five are in poor shape and require demolition. I urge the Commission to concur with the HBA.

If there are questions on any agenda items, please try to let staff know in advance, and we will be sure to have the appropriate data/research available at the meeting.



Frank Peterson
City Manager

Date: July 14, 2015
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the June 30th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 30, 2015

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, June 30, 2015.

Pastor Matt Sharp opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Rinsema-Sybenga, Turnquist, Johnson, and German, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch. Commissioner Hood arrived at 5:50 p.m.

2015-45 INTRODUCTIONS/PRESENTATION:

A. New Water Filtration Plant Superintendent – Michael Greiner was introduced by Mohammed Al-Shateel as the new Water Filtration Plant Superintendent.

2015-46 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the June 8th Commission Worksession Meeting, and the June 9th City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Micro Brewer – Pigeon Hill Brewing Co., LLC. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Pigeon Hill Brewing Co., LLC, for a Micro Brewer License to be located at 435-441 W. Western Avenue.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval.

C. Aloha Hawaiian Shave Ice Concession Contract for City of Muskegon Parks. PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a one-year contractual agreement with David Gelderloos of Aloha Hawaiian Shave Ice, at various City of Muskegon Parks/Facilities, located within the City of Muskegon, and as determined by staff, to sell shaved ice from a mobile trailer.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts. Commission revenue is unknown at this time as this is the first year in business for the Concessionaire at City of Muskegon Parks.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with David Gelderloos of Aloha Hawaiian Shave Ice.

D. One Way Front Snow Plow. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase two Henderson One Way Front Snow Plows as per our specification. This authorization is being sought because our previous purchase was cancelled due to two of the three plows not meeting our specification and we declined to accept the plows.

FINANCIAL IMPACT: These units have a Net price of \$6706.50 per unit, for a total of \$13,413.00 for this purchase.

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase two One Way Front Snow Plows by Henderson Manufacturing, from Arista Truck Systems of Grand Rapids, MI, as a sole source area supplier for these units.

F. Upgrade Access Card System for City Facilities. PUBLIC WORKS

SUMMARY OF REQUEST: Currently, public works uses three different software programs at various facilities to provide access for employees and for timekeeping. These systems are not compatible, are outdated and unreliable. Staff is requesting permission to purchase/upgrade its access card system at the Water Filtration Plant, the landfill gate and the time clock at the public service building to consolidate all systems into one program. Midstate Security provided the only bid at \$19,338.13 that will accomplish this goal and is the current provider for city hall and public service building doors and gates.

FINANCIAL IMPACT: \$19,338.13. Expenditures would come from the Water Filtration and PSB Budgets.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to contract with Midstate Security for access and time clock system upgrades for \$19,338.13.

G. Approval of Bid Award for 1477 Nolan. COMMUNITY &
NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the bids and award the Building Contract for the construction of a single family dwelling at 1477 Nolan to Holden Construction for the City of Muskegon's HOME Program through CNS.

CNS received three bids. The cost estimate from our architect was \$159,850.

FINANCIAL IMPACT: The funding for this project has been secured through the HOME program 2014 grant allocation.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To award Curtis Holden the building construction contract for 1477 Nolan, in the amount of \$140,027.

H. Assignment of the Water Supply Agreement. PUBLIC WORKS

SUMMARY OF REQUEST: Assign the water supply agreement the City has with Norton Shores/Fruitport Township to the newly formed authority, West Michigan Regional Water Authority. Thus making the agreement between the City of Muskegon and the West Michigan Regional Authority. The assignment would in no way alter or modify any other parts of the signed agreement.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Assign the agreement to the West Michigan Regional Water Authority instead of Norton Shores/Fruitport Township.

I. City-County Human Resources Agreement. CITY MANAGER

SUMMARY OF REQUEST: The City currently contracts with Muskegon County for the provision of human resources services. This program is administered by the County Human Resources Department. The Agreement is set to expire June 30, 2015. City staff is requesting that the City Commission extend the agreement for five years to June 30, 2020. All terms of the agreement would remain the same, with the exception of the annual fee for the service – which will increase from \$75,000 to \$82,500.

FINANCIAL IMPACT: \$7,500 annual increase over the current contract.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request and authorize the Mayor and Clerk to sign an agreement.

J. City's Policy with Respect to Freedom of Information Act Requests. CITY CLERK

SUMMARY OF REQUEST: To approve the City's policy with respect to FOIA requests to comply with State law.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval.

Motion by Vice Mayor Spataro, second by Commissioner Johnson to accept the Consent Agenda as read.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Spataro

Nays: None

MOTION PASSES

2015-47 ITEMS REMOVED FROM CONSENT AGENDA:

E. Installation of Decorative Fence at St. Joseph Park. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: Community and Neighborhood Services requests authorization to assist Blight Fight efforts in our target area for the St. Joseph Park, located on Monroe Avenue between 4th and 5th Streets, to install a 6 foot decorative fence (similar to the fence at Heritage Landing). The fence is estimated at 358 feet, and will enclose the park along three sides with a gate to allow access for DPW and other maintenance assistance. Hoping to deter criminal activity and beautify the neighborhood park, we applied for the Nelson Neighborhood Improvement Association grant to improve neighborhood conditions, create opportunities for neighbors and support safe environments at a 50% match; the lowest bid submitted is \$15,740.

FINANCIAL IMPACT: The old fence has since been removed and the cost of the new fence will be shared between the Nelson Neighborhood Improvement Association (NNIA) and the City of Muskegon Blight Fight Grant at a cost of \$7,870 each.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the purchase of the fencing for St. Joseph Park.

COMMITTEE RECOMMENDATION: Blight Fight committee has applied for a grant to be combined with the CDBG funds as a public service activity to promote a safer playground.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German to approve the purchase of the fencing for St. Joseph Park in the amount of \$15,740.

ROLL VOTE: Ayes: Johnson, Gawron, Spataro, German, Rinsema-Sybenga, and Turnquist

Nays: None

MOTION PASSES

2015-48 NEW BUSINESS:

A. Fourth Quarter 2014-15 Budget Reforecast. FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the *Fourth Quarter 2014-*

15 Budget Reforecast which outlines proposed changes to the budget that have come about as result of changes in revenue projections, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: Significant fourth quarter proposed adjustments to the budget are as follows:

- General Fund revenues are reforecast to be \$149,000 higher than the third quarter reforecast.
- General Fund expenditures are estimated to be \$322,500 higher than the third quarter reforecast. The significant changes include; 1) transfer of \$150,000 from the General Fund to the Local Streets Fund, 2) transfer of \$60,000 from the General Fund to the Engineering Services Fund and, 3) environmental services expenditures increased by \$94,000.
- There are relatively minor changes proposed within the budgets of some of the other budgeted funds.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2014-15 budget.

STAFF RECOMMENDATION: Approval.

Motion by Vice Mayor Spataro, second by Commissioner Johnson to approve the budget reforecast.

ROLL VOTE: Ayes: Spataro, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron

Nays: None

MOTION PASSES

B. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY

1221 Sanford Street

1075 Washington Avenue

407 Marquette Avenue

1357 7th Street

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: CDBG or General Funds for 1221 Sanford St., 1075

Washington, and 1357 7th Street. General funds for 407 Marquette.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Vice Mayor Spataro, second by Commissioner German to concur with the Housing Board Appeals notice and order to demolish 1221 Sanford, 1075 Washington, and 1357 7th Street.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Spataro, and German

Nays: None

MOTION PASSES

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga to concur with the Housing Board Appeals notice and order to demolish 407 Marquette.

ROLL VOTE: Ayes: Gawron, Hood, Spataro, German, Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

C. Legal Services. CITY MANAGER

SUMMARY OF REQUEST: The Commission requested staff solicit proposals for legal and prosecution services for the upcoming five year period. This effort was undertaken in June. Six proposals were received as part of the process. A team consisting of City staff, the Vice Mayor, and Commissioner Johnson met to review the merits of the proposals. The committee recommended that the proposal submitted by Parmenter O'Toole be submitted to the City Commission as the preferred service provider for both general legal and prosecution services.

Staff is asking the Commission to authorize staff to negotiate a five-year agreement for general legal and prosecution services with Parmenter O'Toole.

FINANCIAL IMPACT: \$300,000 annually

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize staff to negotiate a five-year agreement for general legal and prosecution services with Parmenter O'Toole.

COMMITTEE RECOMMENDATION: To authorize staff to negotiate a five-year agreement for general legal and prosecution services with Parmenter O'Toole.

Motion by Commissioner Johnson, second by Commissioner Hood to negotiate 5-year proposal with Parmenter O'Toole for legal and prosecution services.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron,

Hood, and Spataro.

Nays: None

MOTION PASSES

D. LC Walker Arena Flooring – Turf. CITY MANAGER

SUMMARY OF REQUEST: City staff has been working with area management, event planners, and potential tenants to better utilize the arena as a year-round facility that hosts a variety of sporting events outside of hockey. Before any non-ice events can be booked, we first need to address our alternate flooring needs. Those needs include a subfloor, a wooden court, and a field turf.

Staff has received approval from the County Accommodations Tax Advisory Committee that the group will fund the new subfloor, at a cost of \$140,000. Staff is also seeking a partner to assist with the cost of the wooden court, which will likely exceed \$75,000.

City staff is asking the Commission to approve up to \$30,000 for the purchase of a used turf floor to accommodate indoor activities requiring the use of turf – football, lacrosse, soccer, etc.

FINANCIAL IMPACT: Up to \$30,000 for FY 14-15

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga to approve up to \$30,000 for the purchase of a used turf floor to accommodate indoor activities requiring the use of turf.

ROLL VOTE: Ayes: Hood, Spataro, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:45 p.m.

Respectfully submitted,

Ann Marie Meisch, MMC
City Clerk

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: July 14, 2015

RE: Annex Lease

SUMMARY OF REQUEST:

City Staff has been working with an organization that intends to operate a sports training and rehabilitation center in the LC Walker Arena Annex Building. The Annex is currently used intermittently throughout the year for concerts, diners, and other gatherings. Staff is seeking approval for a five year lease agreement with Imajam, Inc. that is expected significantly increase the usage of the building. This lease agreement will help city staff reduce costs associated with the LC Walker Arena, as the tenant will become responsible for utilities and general maintenance. Additionally, the lease agreement calls for a nominal fixed rent of \$1.00 per month plus a percentage of the tenant's annual gross revenue. The lease agreement further calls for the city and the tenant to split the needed improvements to the Annex 50/50.

FINANCIAL IMPACT:

Up to \$150,000 in facility improvements, to be offset by reduced arena operating costs and annual rent payments.

BUDGET ACTION REQUIRED:

Up to \$150,000 Capital Improvement is expected; the budget will be adjusted as part of the 1st Quarter Budget Reforcast.

STAFF RECOMMENDATION:

To approve the request and authorize the Mayor and Clerk to sign the agreement.

COMMITTEE RECOMMENDATION:

None.

L.C. Walker Arena Annex Lease

THIS LEASE, made and entered into as of _____, 2015 by and between The City of Muskegon, MI ("Landlord") and ImaJam, Inc., a Wyoming corporation ("Tenant").

WITNESSETH:

1. USE: The Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, those certain Premises hereinafter described, to be used and occupied by Tenant only for the limited purpose of conducting a sports performance and physical therapy rehab center and any other business related thereto. Notwithstanding anything hereinabove to the contrary, the Premises may not be used for any other purpose.

2. PREMISES: The premises leased to Tenant, together with appurtenances (herein referred to as the "Premises" or sometimes "Annex") are commonly known and designated as part of 955 Fourth Street, Muskegon, MI 49440 ("Building") and are the premises connected to the facility commonly known and designated as The LC Walker Arena (hereinafter referred to as the "Main Arena"). For all purposes under this Lease, Landlord and Tenant agree that the Premises consist of approximately 8,000 square feet of floor area and is more fully shown in the aerial map attached as Exhibit A.

3. TERM AND POSSESSION:

A. Term. (i) The term of this Lease shall be for a period of five (5) years, commencing on the date Landlord tenders possession of the Premises to Tenant, but in no event later than July 1, 2015 (hereinafter the 'Lease Commencement Date') and ending at midnight on the day which is sixty (60) months following the Rent Commencement Date (hereinafter the 'Lease Termination Date'), unless sooner terminated pursuant to any provision hereof. As soon as the Lease Commencement Date is determined, the parties shall execute a Lease Amendment setting forth the Lease Commencement Date, Rent Commencement Date and Lease Termination Date.

(ii) The term "lease year" as used in the Lease shall mean the successive 12-month periods during the lease term commencing on Lease Commencement Date and on each anniversary of Lease Commencement Date.

B. Possession. Landlord shall deliver possession of the Premises to Tenant upon the earlier of (i) July 1, 2015 or (ii) the date which Tenant receives a building permit from the City of Muskegon for improvements to the Premises.

C. Delay In Commencement. Notwithstanding anything hereinabove to the contrary, if for any reason Landlord cannot deliver possession of the Premises to Tenant on the date required herein, such failure will not affect the validity of this Lease or the obligations of Tenant hereunder or extend the term hereof, but in such case Tenant shall not be obligated to pay rent until possession of the Premises is tendered to Tenant; provided however, that if Landlord shall not have delivered possession of the Premises within ninety (90) days from said date, Tenant may, at Tenant's option, by notice in writing to Landlord within thirty (30) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations

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Landlord

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Tenant

hereunder. If Tenant occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, and Tenant shall pay rent for such period at the monthly rental provided in Paragraphs 4 and 5 below, however, such occupancy shall not advance the termination date hereinabove set forth. Landlord will allow Tenant and its associates reasonable access to the Premises for non-construction purposes prior to the effectiveness of the Lease. Tenant shall assume 100% of the responsibility for the actions of Tenant and Tenant's associates during their access to the Premises.

4. BASIC RENTAL:

A. Minimum Monthly Rental. Commencing on the date which is the earlier of (i) One Hundred Twenty (120) days following the Lease Commencement Date or (ii) the date on which Tenant first begins to conduct business on or from the Premises ("Rent Commencement Date"), Tenant shall pay to Landlord as minimum monthly rental for the Premises the sum One Dollars and no/100's (\$1.00) per month. Said minimum monthly rental shall be paid in advance on the first day of each month of the term, with no proration to occur for any partial month, if Rent Commencement Date is other than on the first day of a calendar month. All rentals to be paid by Tenant to Landlord shall be in lawful money of the United States and shall be paid without deduction or offset, prior notice or demand, and at such place or places as may be designated from time to time by Landlord.

B. Percentage Rental.

Tenant shall submit Quarterly Reports (as hereinafter defined) and pay percentage rent annually as hereinafter set forth below.

(i) In addition to the minimum guaranteed monthly rental hereinabove agreed to be paid by Tenant, Tenant shall pay to Landlord for the 12 month period commencing on the Rent Commencement Date and each 12 month period thereafter until termination of the Lease, the amount, if any, as follows:

<u>Annual Gross Revenue</u>	<u>Percentage</u>
≤ \$100,000	3%
≥ \$100,001 ≤ \$200,000	4%
≥ \$200,001 ≤ \$400,000	5%
≥ \$400,001	7%

(ii) The period for the "Annual Gross Revenue" as used in this paragraph shall mean the successive 12-month periods during the lease term commencing on Rent Commencement Date and on each anniversary of Rent Commencement Date thereafter.

(iii) The term "Annual Gross Revenue" as used in the Lease shall include the gross receipts of every kind and nature from sales and services made in, upon or from the Premises, whether upon credit or for cash, in every department operating in the Premises and any rental income, and rent paid by any sub-tenant. Notwithstanding the foregoing, revenue generated by a subtenant or subtenants shall not be considered in determining Annual Gross Revenue, but the rent paid by a sub-tenant shall be included. Sales upon credit shall be deemed cash sales and shall be included in the gross revenue for the period payment is received by

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Landlord

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Tenant

Tenant. The Annual Gross Payment and supporting documentation shall be due to Landlord 1 month after the anniversary of the Rent Commencement Date.

(iv) Any information obtained by Landlord pursuant to the provisions of this paragraph shall be treated as confidential, except in any litigation or arbitration proceedings between the parties and except further that Landlord may divulge such information to a prospective buyer of the Premises or as required by the Michigan Freedom of Information Act.

(v) The acceptance by Landlord of payments of annual percentage rental shall be without prejudice to Landlord's right to an examination of Tenant's books and records of its gross receipts to verify the amount of Annual Gross Revenue made by Tenant in and from the Leased premises.

At its option, Landlord may at any reasonable time, upon thirty (30) days' prior written notice to Tenant and no more than one time per calendar year, cause a complete audit to be made of Tenant's entire records and books relating to the Premises for the period covered by any statement submitted by Tenant as above set forth. If such audit shall disclose that Tenant's statement of Annual Gross Revenues is understated to the extent of ten percent (10%) or more, Tenant shall promptly pay to Landlord the cost of said audit, in addition to the deficiency, which deficiency shall be payable in any event.

5. [INTENTIONALLY OMITTED]

6. CONDITION OF PREMISES AND CENTER: Except as otherwise specifically provided in this Lease or any exhibit hereto, Tenant hereby agrees to accept the Premises in its condition existing as of the date of execution hereof, reasonable wear and tear excepted, and acknowledges that Landlord shall not be required to make any improvements or alterations in connection with the Premises, except for those agreed to herein. Tenant further agrees to accept the Premises subject to all applicable zoning, ordinances and regulations governing and regulating the use of the Premises, including the Americans with Disabilities Act (ADA), and any covenants of restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto.

Tenant acknowledges that neither Landlord nor Landlord's agent has made any representation or warranty as to the condition or the present or future suitability of the Premises for the conduct of Tenant's business, as to occupancy of the Annex by other tenants, and to the best of Landlord's knowledge, Tenant's proposed use does not violate any CC&R provisions of the Annex. Tenant further acknowledges that it has conducted such investigation of the Premises and Main Arena as it deems necessary to determine its physical condition and suitability for Tenant's purposes.

7. PARKING: With respect to the parking areas provided by Landlord as part of the Annex, Tenant will be given a minimum of six (6) reserved parking spaces during normal business hours Monday through Saturday with signage designating the spaces as such. The parking spaces will be located in the parking lot in the alleyway directly behind the Annex. The reserved spaces will have posted reserved hours, during non-reserved hours the spaces will be open to the public.

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Landlord

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Tenant

8. RULES AND REGULATIONS: Tenant shall faithfully observe and comply with the Rules and Regulations set forth by Landlord herein and all reasonable modifications of and additions thereto from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the nonperformance by any other tenant or occupant of the Main Arena of any of said Rules and Regulations, but shall make its best effort to affect compliance and conformance of Rules and Regulations from other tenants or occupants of the Main Arena.

9. USE PROHIBITED: Tenant shall not use or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose and purposes for which said Premises are hereby leased; and no use shall be made or permitted to be made of said Premises, nor acts done, which will increase the existing rate of insurance upon the building in which said Premises may be located (once said rate is established), or cause a cancellation of any insurance policy covering said building or any part thereof, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by standard form of fire insurance policies. Tenant shall, at its sole cost, comply with any and all requirements pertaining to the use of said Premises, of any insurance organization or company covering said building and appurtenances.

10. COMPLIANCE WITH LAWS: Tenant shall, at its sole cost and expense, comply with all of the requirements of all Municipal, State and Federal authorities, now in force or which may hereafter be in force pertaining to the use of the Premises, and shall faithfully observe in said use all Municipal ordinances and State and Federal statutes now in force or which shall hereinafter be in force.

11. AUCTIONS: Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

12. CONTINUOUS USE; ABANDONMENT: Tenant shall continuously use the Premises for uses specified in this Lease and shall continuously stock and operate the Premises during all usual business hours. Landlord may not establish the days and/or business hours during which Tenant's business in the Annex shall remain open. Tenant shall not vacate or abandon the Premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the Premises or be dispossessed by process of law, or otherwise, any of Tenant's personal property left on the Premises shall be deemed to be abandoned, at the option of Landlord.

13. TENANT IMPROVEMENTS, ALTERATIONS AND SIGNAGE:

A. Tenant Improvements and Alterations: All improvements and alterations shall be performed by Tenant. The cost of such improvement described in attached Exhibit B (Phase 1 tenant improvements) and Exhibit C (Phase 2 tenant improvements) shall be shared by Landlord and Tenant, subject to the following terms and conditions:

(i) Landlord shall pay 50% of the cost of Phase 1 and Phase 2 tenant improvements up to One Hundred Fifty Thousand (\$150,000.00) dollars ("Landlord's T1 Share"). Phase 1 tenant improvements shall commence within 60 days of execution of this Lease. Phase 2 of tenant improvements shall commence within thirty (36) months of execution of this Lease and both Phase 1 and Phase 2 tenant improvements shall be completed within 48

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Landlord

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Tenant

months of the execution of the Lease. Landlord and Tenant shall deposit One Hundred Fifty Thousand Dollars into an interest bearing escrow account with Transnation Title and such funds shall be used exclusively for the purpose of paying Transnation Title's fee to review lien waivers and process payments and paying for the tenant improvements to the Annex. To the extent there is money being held by Transnation after the Phase 1 and Phase 2 improvements are completed, the money shall be returned to Landlord and Tenant, each receiving one-half of the balance. To the extent that there is insufficient funds to perform all of the Phase 1 and Phase 2 tenant improvements, Tenant may elect to forego certain of the tenant improvements listed in Exhibits B and C or deposit additional monies with Transnation Title to pay for such, in Tenants sole discretion.

(ii) Tenant shall submit to the City of Muskegon City Manager, detailed plans for all of Tenant's proposed improvements, no later than the same time that the plans are submitted to the City's Inspection Department (presently SafeBuilt) for permits. Landlord's consent to such plans shall be a requirement of commencement of construction.

(iii) Tenant may, at Tenant's sole discretion, complete tenant improvements in phases, but in no case shall the tenant improvements be in more than two phases, and in no case shall the phases exceed a five year period ("TI Period").

(iv) All of Tenant's work shall be performed by a reputable, licensed, and bonded contractor, shall be of a good and workmanlike quality, and performed in a diligent manner so as not to create a nuisance to the other tenants of the Main Arena.

(v) All work performed by Tenant shall be performed pursuant to permits required by any public authority. Tenant shall comply with all conditions of said permit in a prompt and expeditious manner.

(vi) Upon completion of improvements, Tenant shall provide Landlord with one copy of "as-built" plans for Landlord's records.

(vii) Tenant shall make no alterations or changes to the exterior of the Premises without Landlord's prior written consent.

(viii) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant for use in the Premises. Tenant shall give Landlord not less than Ten (10) days notice prior to commencement of any work on the Premises and Landlord shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense, defend itself and Landlord against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Landlord or the Premises.

(ix) Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of the term.

B. Signage: Tenant shall be responsible for the construction and installation, at Tenant's and Landlord's shared cost and expense, of signage which conforms to the sign

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Landlord

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Tenant

criteria (covering dimensions, location, material, design, color and content) agreed upon mutually by Landlord and Tenant and as specified by the City's Zoning Administrator.

14. MAINTENANCE AND REPAIRS: Tenant agrees that its acceptance of the Premises evidenced by Tenant's entry into and possession thereof shall constitute conclusive proof that the Premises are, as of that date of such acceptance, in a tenantable and good condition; that Tenant will take good care thereof. Tenant shall be responsible for all general maintenance and repairs up to three thousand five hundred dollars (\$3,500.00). All maintenance and repairs in excess of \$3,500.00 shall be paid by Landlord. Additionally, any repair or replacement of the HVAC shall be paid by Landlord.

15. INSURANCE: Tenant shall obtain insurances required by the Landlord in at least the coverage amounts set forth below. In all the following coverages except workers compensation insurance, the City, the Landlord shall be named as additional insured or loss payees, and each policy shall carry the commitment by the company that no cancellation shall be effective against the Landlord without thirty (30) days written notice to the Landlord:

- 15.1 Comprehensive general liability insurance. The Tenant shall obtain a comprehensive liability insurance policy through a company licensed to do business in Michigan and acceptable to the Landlord, carrying limits of at least \$1,000,000, single limit.
- 15.2 Vehicle liability insurance. The Tenant shall carry vehicle liability insurance for each vehicle owned or leased by it, having liability limits of at least \$1,000,000.
- 15.3 Workers compensation insurance. The Tenant shall carry workers compensation insurance in the amounts required by state law.
- 15.4 Other insurance. Any insurances which are available and which are especially appropriate for the operation of the Arena, such as coverages involving professional or amateur hockey games, trade shows and the like, covering liability and the cost of injuries to persons and property shall be obtained by the County, with liability coverage carrying at least a single limit of \$1,000,000.
- 15.5 Cancellation Notice. Workers Compensation Insurance, Commercial General Liability Insurance and Motor Vehicle Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that, in order to be effective, thirty (30) days' Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to:

**City of Muskegon
Attn: City Manager
933 Terrace Street**

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Landlord

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Tenant

Muskegon, MI 49440

16. HOLD HARMLESS AND INDEMNITY: Tenant and Landlord shall hold each other harmless and indemnified at all times against any claims, loss, damage, cost or expense, including reasonable attorneys' fees, by reason of Tenant's or Landlord's failure to perform any obligation to be performed by them under the terms of this Lease or from use of the Premises or from any activity, work or things done or permitted by Tenant or Landlord, contractors, agents, employees, licensees or invitees in or about the Premises or elsewhere. Tenant and Landlord covenants and agrees that in case Landlord or Tenant shall without fault on their part be made a party to any litigation commenced by or against the other, then Tenant or Landlord shall and will pay all costs and expenses, including attorneys' fees, incurred by or imposed on the other by or in connection with such litigation, and also shall pay all costs and expenses, including attorneys' fees, which may be incurred by the other in enforcing any of the covenants and agreements of this Lease.

17. FREE FROM LIENS: Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant.

18. PERSONAL AND REAL PROPERTY TAXES: During the term hereof Tenant shall pay prior to delinquency all taxes assessed against and levied upon the real property and any fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises.

19. UTILITIES: Tenant agrees to pay before delinquency all charges for gas, heat, sewer, power, electricity, telephone, storm drain, water service and water meter charges and all other utility charges including any hook up or connection fees or charges which may accrue with respect to the Premises during the term of this Lease whether the same be charged or assessed at flat rates, measured by separate meters or prorated by the utility company. Landlord shall in no event be liable to Tenant for any interruption in the service of any such utilities to the Premises, however such interruption may be caused; and this Lease shall continue in full force and effect despite any such interruptions. Landlord shall, to the best of its ability, provide the proper equipment and metering devices to maintain separate meters and accounting from the Main Arena's utilities.

20. ENTRY AND INSPECTION: Tenant shall permit Landlord and his agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said Premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, upon seven (7) day notice to Tenant. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned. Tenant shall permit the Landlord, at any time within one hundred twenty (120) days prior to the expiration of this Lease, to place upon said Premises any usual or ordinary "For Lease" signs and during such one hundred twenty (120) day period Landlord or his agents may, during normal business hours, upon notice of seven (7) days to Tenant, enter upon said Premises and exhibit same to prospective tenants.

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Landlord

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Tenant

21. DAMAGE OR DESTRUCTION: In the event of a partial or total damage or destruction of the Premises during the term hereof from any cause or casualty covered by fire and standard extended coverage insurance, Landlord shall forthwith repair or reconstruct the same, provided such repairs or reconstruction can be made under the then existing laws and regulations of the relevant governmental authorities. If such repairs cannot be made under such laws and regulations, this Lease may be terminated at the option of either party. In the event the Premises are partially or totally damaged or destroyed by a cause or casualty not covered by fire and standard extended coverage insurance, or by any cause at any time during the last two (2) years of the term hereof, or in the event the Premises or the building in which the Premises are situated are/is damaged or destroyed by any cause or casualty to the extent of more than thirty-three and one-third percent (33-1/3%) of the replacement cost thereof at the time of such damage or destruction, then Landlord shall have the right to terminate this Lease by giving notice to Tenant of such termination within sixty (60) days after the occurrence of such damage or destruction.

The minimum monthly rental payable hereunder shall remain in effect during such period of repair or reconstruction: provided, that Tenant shall continue the operation of its business during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation to pay percentage rent shall during any such period remain in full force and effect.

Any such repair or reconstruction by Landlord shall be only to the extent of the Landlord's obligation with respect to the condition of the Premises at the time that they were delivered to Tenant at the commencement of the term, but exclusive of any work, which was performed by Landlord at Tenant's expense. Upon the completion of such work of repair or restoration by Landlord, Tenant shall forthwith repair and restore all other parts of the Premises, including all of Tenant's improvements, alterations and trade fixtures.

22. [INTENTIONALLY OMITTED]

23. ASSIGNMENT AND SUBLETTING: Tenant shall not assign, transfer or hypothecate this Lease or any interest therein whether voluntarily, by operation of law, or otherwise, except with the Consent of the Landlord. Tenant shall have the right to sublet the Premises to Trinity Health Partner or an affiliated entity.

Any attempted assignment, transfer, hypothecation, or encumbrance without Landlord's consent shall be void and constitute a breach of this Lease. The acceptance of rent from any person shall not be deemed to be a waiver of any of the provisions of this Lease or consent to the assignment of the Premises. Consent to any assignment shall not be deemed a consent to any future assignment.

Notwithstanding anything hereinabove to the contrary, Tenant may enter into any assignment or subletting transaction with an Affiliated Entity without Landlord's prior written approval. An Affiliated Entity shall be considered to be: (a) a person or entity which controls or is controlled by, or is under common control with Tenant as of June 1, 2015.

24. [INTENTIONALLY OMITTED]

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Landlord

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Tenant

25. DEFAULTS; REMEDIES:

A. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(i) The vacating or abandonment of the Premises by Tenant.

(ii) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where on such failure shall continue for a period of three days after written notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes such Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.

(iii) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in paragraph (ii) above, where such failure shall continue for a period of 30 days after written notice hereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(iv) The discovery by Landlord that any financial statement given to Landlord by Tenant, any assignee of Tenant, any subtenant of Tenant, any successor in interest of Tenant or any guarantor of Tenant's obligation hereunder, and any of them, was materially false.

B. Remedies. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

(i) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss of the same period that Tenant proves could be reasonably avoided; that portion of any reasonable leasing commission paid by Landlord applicable to the unexpired term of this Lease.

(ii) Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

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Landlord

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Tenant

(iii) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

C. Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to 10% of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of rent then rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding paragraph 4 or any other provision of this Lease to the contrary. Any late charges incurred by Tenant shall be deemed to be "additional rental", and shall be immediately due and payable in full, without notice being required.

D. Payment in Cash. In addition to all other rights and remedies provided hereunder, in the event Tenant shall at any time tender to Landlord in payment of rent or any other sum due from Tenant hereunder, a check or draft which the bank or financial institution upon which it is drawn fails or refuses to promptly pay, whether by reason of insufficient funds, stop payment order or otherwise, then Landlord may, at its option, require Tenant to pay to Landlord a 'returned check' fee of Twenty-five Dollars (\$25.00) per each such returned check, and may also, after the second such occurrence, require that all rent and other sums payable under this Lease, including sums required to cure any outstanding default hereunder, be paid by cash, cashier's check, certified check or money order only, in which event payments tendered in any other form (e.g., personal check) may be rejected by Landlord and shall not serve to extinguish any obligation of Tenant under this Lease.

E. Default By Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion

26. SUBORDINATION: Notwithstanding any other provision of this paragraph, however, should the Premises be purchased and should Tenant not be in default under the terms and conditions to be performed by Tenant hereunder, such person shall not disturb Tenant in the quiet enjoyment of the Premises and in such event, this Lease shall continue in full force and effect and Tenant hereby attorns and agrees to attorn to such person.

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Landlord

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Tenant

In confirmation of any such subordination, Tenant shall promptly execute any certificate or other instrument, which Landlord may deem proper to evidence such subordination, without expense to Landlord. Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact to execute (and deliver to any third party) any such certificate or instrument for and on behalf of Tenant, if Tenant shall have failed to do so within ten (10) days after written request therefore by Landlord, which request shall in addition confirm that Landlord has exercised his right to subordinate as set forth herein.

27. ESTOPPEL CERTIFICATES: Tenant agrees at any time and from time to time, upon not less than ten (10) business days' prior written request from Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect, as modified, and stating the modifications) and that there are no uncured defaults hereunder if such state of facts shall be true, or if there be uncured defects, stating the same, and the dates to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of the fee or any assignee of the Landlord's interest hereunder. Failure of Tenant to give any certificate within said ten (10) business day period shall be deemed equivalent to a statement by Tenant that this Lease is in full force and effect, unmodified and that there are no uncured defaults hereunder and that all rent has been paid to date. Notwithstanding the foregoing, Landlord shall not make more than one such request in a calendar year, and if Landlord does make more than one such request, Landlord shall pay for any expenses incurred by Tenant.

28. SALE OF PREMISES BY LANDLORD: In the event of any sale of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the Purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease

29. EXEMPTION OF LANDLORD FROM LIABILITY: Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, gas, electricity, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, or whether the said damage or injury results from conditions arising upon the -Premises or upon other portions of the Main Arena of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the LC in which the Premises are located.

Tenant, in compliance with state statute, may make certain repairs as necessary and forward the cost of such repairs on to Landlord if Landlord fails to make such repairs in a timely

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Landlord

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manner, and the failure to make such repairs may cause risk of damage or injury to Tenant or Tenant's employees, agents, customers, or other invitees, or Tenant's property, goods, merchandise, or other property. Landlord shall reimburse any such expenses paid or owed by Tenant no more than ten (10) business days after written notice is given from Tenant requesting such reimbursement.

30. ATTORNEYS' FEES: In the event either party finds it necessary to retain an attorney in connection with the default by the other party in any of the agreements or covenants contained in this Lease, the other shall pay reasonable attorneys' fees to said attorney.

In the event of any litigation regarding this Lease, the losing party shall pay to the prevailing party reasonable attorneys' fees.

31. TITLE OF CENTER: Tenant shall make reasonable efforts to use the name of the L.C. Walker Arena in all Tenant's advertising in connection with Tenant's business at the Premises and for no other purpose, except with Landlord's consent. Tenant shall not have or acquire any interest in the name of the Main Arena. Landlord reserves the right to change the name, title or address of the Main Arena or the address of the Premises at any time, and Tenant waives all claims for damages caused by such change.

32. WAIVER: No delay or omission in the exercise of any right or remedy of any default by either party shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

No payment by Tenant, or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord, shall be treated otherwise than as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount shall be deemed payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

33. SURRENDER OF PREMISES: On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made

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Landlord

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by Tenant and destruction to the Premises covered by Paragraph 21), except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Paragraph 13, Tenant shall remove all of Tenant's personal property within the time period stated in this paragraph.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the term as allowed or required by this Lease after giving at least five (5) days' notice to Tenant. Title to any such alterations, or Tenant's personal property, that Landlord elects to retain or dispose of on expiration of the 5-day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property after the 5-day period.

If Tenant fails to surrender the Premises to Landlord upon expiration of the term as required by this paragraph, tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

34. HOLDING OVER: Any holding over after the expiration of the Term of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable by either party upon thirty (30) days written notice, and upon terms and conditions as existed at the expiration of the term.

35. [INTENTIONALLY OMITTED]

36. NOTICES: Except as hereinafter provided with respect to option notices, any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent (a) prepaid, first class mail, or (b) personally delivered (via overnight delivery or otherwise), if the receipt thereof is acknowledged in writing and addressed to the other party at the address set forth below its signature at the end of this Lease. Notices shall be deemed communicated within 48 hours from the time of mailing if mailed as herein provided. Either party may change its address by notifying the other party of the change of address. Notwithstanding anything hereinabove to the contrary, any notice of the exercise of any option herein must be served personally or by registered or certified mail return-receipt requested, and shall only be deemed given when received by the other party.

37. BROKERS OR FINDERS: Each party represents and warrants to the other that it has engaged no broker or finder and that no claims for brokerage commissions or finders' fees will arise in connection with the execution of this Lease.

38. HAZARDOUS MATERIALS:

A. Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment, or the Premises; (ii) regulated or monitored by any governmental

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Landlord

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authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Tenant shall not engage in any activity in or about the Premises or Main Arena which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined in Paragraph 38D). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Premises of a Hazardous Substance with respect to which any Applicable Laws require that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but upon notice to Landlord and in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Tenant in the normal course of the Permitted Use, so long as such use is not a Reportable Use and does not expose the Premises or Main Arena to any meaningful risk of contamination or damage or expose Landlord to any liability therefor. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Premises and the environment against damage, contamination or injury and/or liability therefor, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Premises (such as concrete encasements) and/or the deposit of an additional Security Deposit under Paragraph 35 hereof.

B. Duty to Inform Landlord. If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises or the Main Arena during the term of the Lease, other than as previously consented to by Landlord, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance including but not limited to all such documents as may be involved in any Reportable Use involving the Premises. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises or Main Arena (including, without limitation, through the plumbing or sanitary sewer system).

C. Indemnification. Each party shall, indemnify, protect, defend and hold each other, their agents, employees, and the Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought into the Premises or Main Arena by the indemnifying party or by anyone under party's control during the Term hereof. Tenant's obligations under this paragraph shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved, and shall survive the expiration or earlier termination of this

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Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing the time of such agreement.

D. Tenant's Compliance with Requirements. Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Requirements", which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in under or about the Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill, or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within Five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information, including but not limited to permits, registrations, manifests, applications, reports and certificates, evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Premises to comply with any Applicable Requirements.

E. Inspection; Compliance with Law. Landlord, Landlord's agents, employees, contractors and designated representatives, shall have the right to enter the Premises at any time in the case of an emergency, and otherwise upon two hours prior notice, at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements (as defined in Paragraph 38D), and Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's activities, including but not limited to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The costs and expenses of any such inspections shall be paid by the party requesting same, unless a default or breach of this Lease by Tenant or a violation of Applicable Requirements or a contamination, caused or materially contributed to by Tenant, is found to exist or to be imminent, or unless the inspection is requested or ordered by a governmental authority as the result of any such existing or imminent violation or contamination. In such case, Tenant shall upon request reimburse Landlord for the costs and expenses of such inspections.

39. DEFINITIONS: As used in this Lease, the following words and phrases have the following meanings:

"Alteration" - any addition or change to or modification of the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and Tenant's improvements as defined here.

"Damage" - injury, deterioration, or loss to a person or property caused by another person's acts or omissions. Damage includes death.

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Landlord

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"Destruction" - any damage, as defined here, to or disfigurement of the subject Premises.

"Good Condition" - the good physical condition of the Premises and each portion of the Premises, including without limitation, signs, windows, show windows, walls, appurtenances, and Tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.

"Tenant's improvement" - any addition to or modification of the Premises made by or at the joint expense of Tenant and Landlord before, at, or near the commencement of the term, including without limitation, fixtures (not including Tenant's trade fixtures, as defined here),

"Tenant's personal property" - Tenant's equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including Tenant's trade fixtures as defined here.

"Tenant's trade fixtures" - any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use.

40. MISCELLANEOUS:

A. Successors. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

B. Partial Invalidity. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

C. Captions. The various headings and numbers herein and the grouping of the provisions of this Lease into paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

D. Gender; Number. As used in this Lease whenever required by the context hereof, each number, both singular or plural, shall include all numbers, and each gender shall include all genders.

E. Applicable Law. This Lease shall be governed by the laws of the State of Michigan law and the parties agree to jurisdiction and venue within the courts for the County of Muskegon, State of Michigan.

F. Corporation or LLC as Tenant. If a corporation or LLC executes this Lease as Tenant, it shall promptly furnish Landlord with certified resolutions attesting to the authority of the officers executing this Lease on behalf of such entity.

G. Time. Time is of the essence of this Lease.

.....
Landlord

.....
Tenant

H. Disclosure. No disclosures have been made other than those set forth in this Agreement above.

41. INTEGRATION: Tenant acknowledges that this Lease, including any Exhibits and Addenda, if any, attached hereto, set forth the entire agreement between the parties and that all prior negotiations, understandings, conversations, or writings between the parties are superseded, merged herein and extinguished. Tenant acknowledges that it has not relied upon any estimates, representations or statements of opinion or fact by Landlord or its agents or employees in entering into this Lease Agreement, other than expressly provided herein. This Lease may not be modified except by a writing subscribed to by all parties, nor may this Lease be cancelled by Tenant or the Premises surrendered except with the written consent of Landlord.

42. EFFECTIVENESS OF LEASE: The submission by Landlord to Tenant of this Lease in draft form shall be deemed solely for Tenant's consideration and not acceptance or execution. Such submission shall have no binding force or effect, shall not constitute an option for leasing the Premises herein described, nor confer any rights or impose any obligations upon either party. The submission by Landlord of this Lease for execution by tenant and the actual execution and delivery thereof by Tenant shall similarly have no binding effect unless and until it is executed on behalf of Landlord by an authorized representative/agent of the Landlord.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

TENANT:

City of Muskegon
a Michigan municipality

ImaJam, INC.
a Wyoming corporation

By: _____

By: _____
Terrence J. Williams

Date: _____

Date: _____

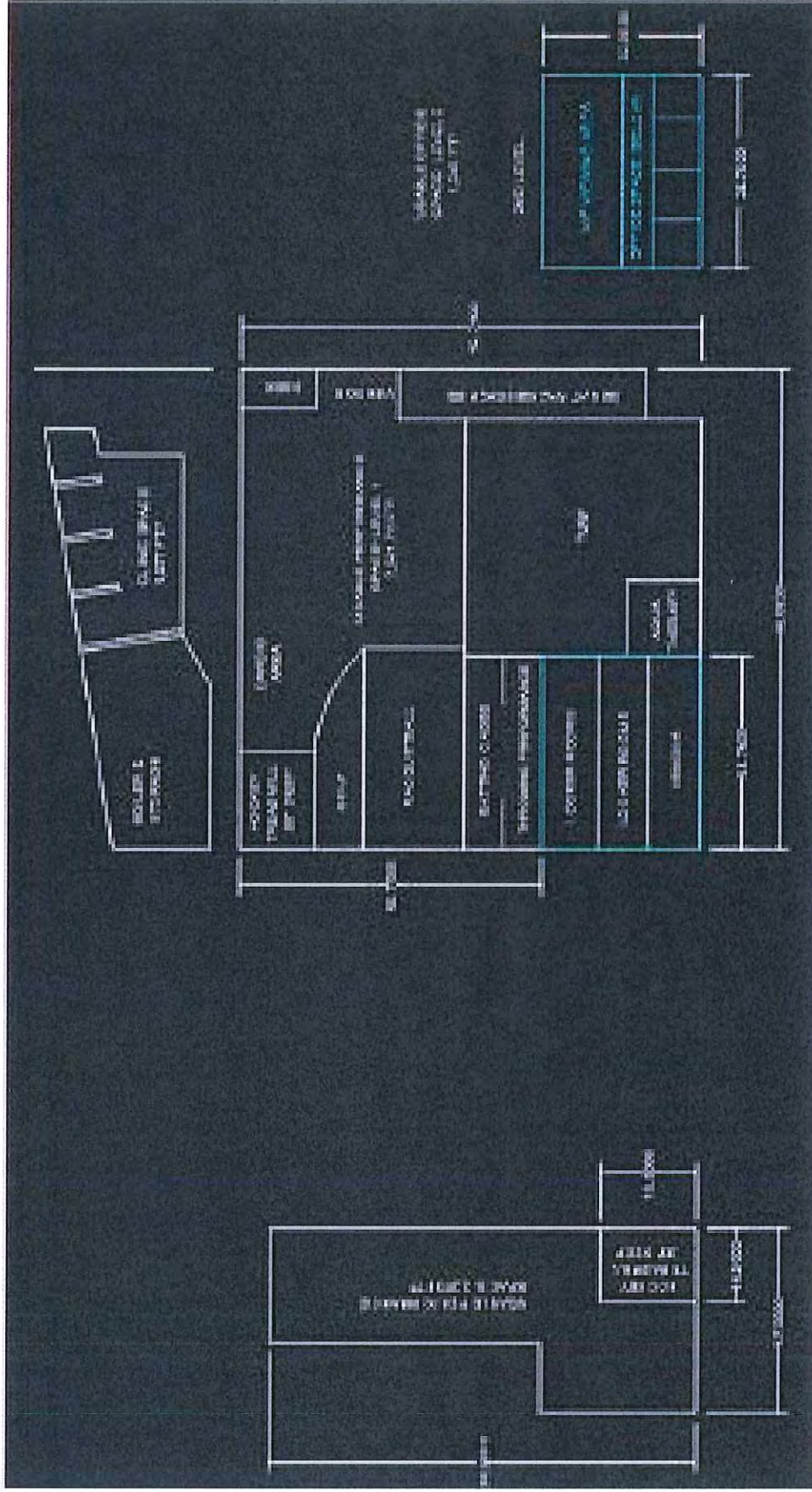
LANDLORD ADDRESS:

TENANT ADDRESS:

.....
Landlord

.....
Tenant

EXHIBIT "A"
 (Site Plan is for general representation purposes only, and not necessarily drawn to scale.)
Outline of Premise
 (Not to Scale)



Landlord

Tenant

COMMISSION MEETING DATE: July 14, 2015

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN151104

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1258 5th Street is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN151104 - 1258 5th Street

Location and ownership: This structure is located on 5th Street between Monroe and Merrill Avenues and is owned by James Ridge & Ashley Gabris. This property is in the Blight Fight Area.

Staff Correspondence: A dangerous building inspection was conducted on 2/10/2015 (exterior only). The Notice and Order to Repair was issued on 4/24/2015. On 6/4/2015 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 16,900

Estimated cost to repair: \$ 60,000 (exterior only-Owner did not schedule a Trades Inspection for the interior.)

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact:

- 1) James Ridge & Ashley Gabris were purchasing this home on Land Contract.
- 2) F&J/Laketon Investments were the sellers of the Land Contract. Mrs. Doyon had called and stated that she wouldn't be stopping this process.

Permits obtained: James Ridge & Ashley Gabris obtained some permits.

- 1) PB130878 – Issued 11/6/2013 & the permit was closed 6/27/2014. This permit was to install an interior staircase to make the duplex into a single family home.
- 2) PE130108 – Issued 3/25/2013 & the permit was closed 9/21/2013. This permit was to rewire the house.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of home.



Foundation has bowing @ the gas meter.



Roofing issues.



Shingles coming up/missing.

CITY OF MUSKEGON
CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202. MUSKEGON, MI 49440
(231) 724-6702 (Office) - (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT

1258 5TH ST

Inspection noted (exterior only) 2/10/2015:

- 1) Roof has some shingles or parts of shingles missing, shingles that are deteriorated and need replacing. Roof leaks. A tarp is not suitable roofing materials. Roof is totally deteriorated - must be replaced. Rafters are bowed and the roof is sagging. Roof rafters need bracing in the attic. There are areas where the roof and the house meet that have openings.
- 2) Have eave boards that are rotted or missing.
- 3) Siding has peeling paint--and is not protected from weather by a properly applied water resistant paint or finish. This must be properly scraped before painting. Opening in the wall has been closed off with material that does not blend with the rest of the structure.
- 4) The entire structure is not protected from weather by a properly applied water-resistant paint or waterproof finish. Surface must be scraped prior to applying any water -resistant paint or waterproof finish.
- 5) One gas meter is gone with both gas meter areas being locked. Gas is not on.
- 6) The concrete steps have cracks, peeling paint. The wood step at the top is missing paint so the wood is exposed to the elements & is starting to warp.
- 7) The chimney is coming apart. Bricks are loose and starting to fall.
- 8) The foundation is starting to bow.
- 9) The exterior steps to the second floor are missing.
- 10) A trades inspection (with SAFEbuilt) of the interior is needed to view the condition of the interior of the home & to inspect the roof area & the damage that may have been done to the interior due to the leaking roof.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a trades inspection to get a complete listing of any additional items that need to be completed.

BASED UPON A RECENT INSPECTION OF THE ABOVE PROPERTY, IT HAS BEEN DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

COMMISSION MEETING DATE: July 14, 2015

TO: Honorable Mayor and Commissioners
FROM: Jeffrey Lewis, Director of Public Safety
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN151081

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **462 Washington Ave.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN151080 – 462 Washington Ave.

Location and ownership: This structure is located on Washington Ave. between 8th and Park Streets and is owned by Stephanie Green.

Staff Correspondence: A fire inspection was conducted on 3/11/2014. The Notice and Order to Repair was issued on 4/24/2015. On 6/4/2015 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 5,700

Estimated cost to repair: \$ 120,000 (A new house would need to be constructed.)

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: The owner did attend the HBA meeting. There was no insurance at the time of the fire and no one was home at the time. The owner does not have the funds to rehab the structure. All the certified mailing cards sent to the owner had been returned signed.

Permits obtained: PB140117 – Permit was obtained 3/25/2014 and closed on 12/18/2014. This was to clean the debris out of the home from the fire.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



This picture was from 12/2006.



Picture of the front of the home 3/2015.



Rear of the structure.



Side of home.

CITY OF MUSKEGON/SAFEbuilt
933 Terrace St. Ste 204, P.O. Box 536, Muskegon, MI 49443

FIRE INSPECTION REPORT
03/12/2014

Owner GREEN STEPHANIE
224 PO BOX
MUSKEGON, MI 49443

Property Address 462 WASHINGTON AVE **Parcel #** 24-205-374-0007-00

Inspector: Kirk Briggs, Building Official

Date completed: March 11, 2014

DEFICENCIES:

Building Inspector Notes:

1. Second floor is burned away completely - Building Permit Needed to rebuilt (Electrical Permit needed for wiring)
2. All wood needs to be replaced in home - Building Permit Needed
3. Need all new drywall and trim - Building Permit Needed
4. Need new kitchen and bathroom - Building, Electrical and possible Plumbing Permit Needed
5. House will need all new wiring - Electrical Permit Needed
6. New windows needed throughout - Building Permit Needed
7. New doors needed (Interior and Exterior) - Building Permit Needed

Electrical Inspector Notes:

1. House to be wired to code - Electrical Permit Needed
2. Smoke alarms to be installed to code -Electrical Permit Needed
3. Electric service to be replaced to code - Electrical Permit Needed

Mechanical/Plumbing Inspector Notes:

1. Pressure test gas line
2. Inspect and certify HVAC system, Water Heater, Chimney, all plumbing

Kirk Briggs, Building Inspector

Date

COMMISSION MEETING DATE: July 14, 2015

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN151147

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1252 5th Street is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN151147 - 1252 5th Street

Location and ownership: This structure is located on 5th Street between Monroe and Merrill Avenues and is owned by Francisco Lorenzo. This property is in the Blight Fight Area.

Staff Correspondence: A dangerous building inspection was conducted on 2/10/2015 (exterior only). The Notice and Order to Repair was issued on 4/24/2015. On 6/4/2015 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 13,500

Estimated cost to repair: \$ 30,000 (exterior only-Owner did not schedule a Trades Inspection for the interior.)

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: The owner contacted SAFEbuilt & was informed an interior inspection of the Trades would need to be performed. This was prior to the HBA meeting. The owner didn't schedule an appointment nor did he or a representative for him show up to the HBA meeting.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front.



Rear of structure.



Some shingles are deteriorated on North side of home.



Deteriorated shingles on South side of home.



Foundation has some issues.

CITY OF MUSKEGON
CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202; MUSKEGON, MI 49440
(231) 724-6702 (Office) - (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT

1252 5TH ST

Inspection noted:

- 1) A Trades Inspection is needed to complete the interior (231) 724-6715).
- 2) Where repairs to existing roof are made, materials and color must blend with balance of roof.
- 3) Roof is totally deteriorated - must be replaced.
- 4) Siding has holes in it or is rotted or missing. Siding is loose or falling off. Siding corners are missing.
- 5) Has trim that has holes in it or is rotted or missing.
- 6) Has aluminum siding that is loose, falling off or is missing.
- 7) Has peeling paint that needs to be scraped and needs to be protected from weather by properly applied water-resistant paint or waterproof finish.
- 8) Porch & Steps: Floor is deteriorated. Concrete has holes and/or is deteriorated. Steps have concrete or block walls on the sides that are deteriorated.
- 9) Foundation: Foundation walls have missing mortar or open cracks. Foundation walls have peeling paint. Paint must be properly scraped prior to painting. Foundation walls are badly bowed.
- 10) Windows: Window(s) has/have broken or cracked glass. Window sill is broken, missing or rotted.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a trades inspection to get a complete listing of any additional items that need to be completed.

BASED UPON A RECENT INSPECTION OF THE ABOVE PROPERTY, IT HAS BEEN DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

COMMISSION MEETING DATE: July 14, 2015

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN150287

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1709 Pine St.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN150287 – 1709 Pine St.

Location and ownership: This structure is located on Pine St. between East Dale and East Larch Avenues and is owned by Tonya Robinson.

Staff Correspondence: A fire inspection was conducted on 3/22/2013. The Notice and Order to Repair was issued on 4/24/2015. On 6/4/2015 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 3,500.

Estimated cost to repair: \$ 40,500

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: The current owner had started obtaining permits to get started fixing the fire damaged areas (the fire happened prior to her ownership). The certified mailings to the owner had 1 that came back unclaimed, 1 had nothing returned (letter or card) & the HBA determination certified card was returned & signed. The signature looks like Esther Davis or Davies.

Permits obtained: The current owner did apply for permits.

- 1) PB140083 – Issued 3/14/14 – Canceled 11/5/14 – Owner informed SAFEbuilt on 7/29/14 that she was waiting for her tax return to do the repairs & should be done the following year.
- 2) PB140181 – Applied 3/26/14 – This was for the electrical repairs per the fire inspection report. This needed to be inspected & certified by a licensed contractor per the SAFEbuilt Electrical Inspector. On 7/29/14 Ken (Electrical Inspector) spoke to the owner & she said she didn't have the money to do the repairs & no time line was established.
- 3) PM140126 – Issued 3/14/14 – Canceled 11/5/14 – This was to test gas line & gas hot water heater.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of home.



Rear of home-fire damaged.



Rear picture.



Side picture

CITY OF MUSKEGON/SAFEbuilt

933 Terrace St. Ste 204, P.O. Box 536, Muskegon, MI 49443

FIRE INSPECTION REPORT

03/28/2013

Owner Sabrina Petty
PO BOX 1597.
Muskegon, MI 49443

and HSBC BANK USA
1525 S BELTLINE RD
COPPELL, TX 75019

Property Address: 1709 PINE ST

Parcel # 24-205-298-0020-00

Date completed: 3/22/2013

DEFICENCIES:

- Replace the roof rafters and the roofing
- Replace the ceiling joists, drywall and attic insulation
- Replace the siding and window in the back
- Replace the back door
- Kitchen to be rewired to code
- Rear entry/stairway to be rewired to code
- Smoke alarms to be installed to code
- All wiring in attic to be replaced to code
- Electric service to be certified safe & code compliant
- Clean ductwork
- Furnace, water heater and chimney must be inspected and certified
- Pressure test gas line
- Inspect and certify all house plumbing in affected area (Note: water distribution and drain lines are frozen)

Kirk Briggs, Building Inspector

Date

COMMISSION MEETING DATE: July 14, 2015

TO: Honorable Mayor and Commissioners
FROM: Jeffrey Lewis, Director of Public Safety
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN150275

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1370 Sanford St.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN150275 – 1370 Sanford

Location and ownership: This structure is located on Sanford Street between Morrall and Washington and is owned by Willie Hill Jr. This property is in the Blight Fight area.

Staff Correspondence: A dangerous building inspection was conducted on 11/24/2014 (exterior) & 4/8/2015 (Trades Inspection). The Notice and Order to Repair was issued on 3/5/2015. On 6/4/2015 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 13,900

Estimated cost to repair: \$ 70,000+

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: All the certified mail cards came back signed by Willie Hill Jr (those addressed to him) & different people in the office @ Alt Holdings LLC & Peck St. Plaza had signed each of the cards mailed there.

This case went before the HBA 3 times (4/2/15; 5/7/15; & 6/4/15) in order for the owner to work on a reasonable & realistic timeline and costs for the repairs.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of home.



Roofing is deteriorated.



Rear roofing deteriorated.



Foundation & siding deteriorating.

CITY OF MUSKEGON
CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202; MUSKEGON, MI 49440
(231) 724-6702 (Office) - (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT

1370 SANFORD ST

Inspection noted:

1. Have eave boards that are rotted or missing.
2. Eve trough is broken.
3. Porch & Steps - Floor is deteriorated. Post or walls are deteriorated. Step structure is rotted. Concrete steps are deteriorated. Step(s) is/are broken or rotted.
4. Steps are deteriorated or missing-when installing new, steps must have 36" landing at the top if entering door. Step structure is rotted.
5. Handrail & guardrail are not in good repair. Has guardrail that has openings larger than 6". When rebuilding, balusters may not be spaced more than 4" apart.
6. Porch floor has bare wood-is not protected from the weather by a properly applied water resistant paint or finish.
7. Floor joist structure is rotted.
8. Window is not weather tight and in good repair. Window sash is broken, rotted or missing. Window(s) has/have broken or cracked glass. Window screen(s) is/are torn or damaged. Window sill/frame is broken, missing or rotted. Window has glazing that is missing or deteriorated. Window trim is broken or missing. Window doesn't shut.
9. Door is broken or missing.
10. Door has a hole in it. Door does not fit tight-install weather seal.
11. Screen door is missing.
12. Siding is loose or falling off. Siding corners are missing. Has aluminum siding that is loose, falling off or is missing. Siding has holes in it or is rotted or missing. Has broken siding. Opening in the wall has been closed off with material that does not blend with the rest of the structure.
13. Side of the roof has rotted or missing roof boards. Roof has some shingles or parts of shingles missing. Roof has shingles that are deteriorated and need replacing. Roof is totally deteriorated - must be replaced. Due to deterioration of roof; interior may be affected by the elements.
14. Many windows or doors are boarded.
15. Has trim that has holes in it or is rotted or missing.
16. Foundation walls have missing brick or block. Foundation walls have missing mortar or open cracks. Foundation has large holes in it.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a Trades inspection to get a complete listing of any additional items that need to be completed.

BASED UPON A RECENT INSPECTION OF THE ABOVE PROPERTY, IT HAS BEEN DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.



DANGEROUS BUILDING INSPECTION REPORT
04/09/2015

Owner HILL WILLIE JR; PO BOX 4056; MUSKEGON, MI 49444

Enforcement # EN150275

Property Address: 1370 SANFORD ST

Parcel # 24-205-401-0001-10

Date completed: 4/8/15

DEFICENCIES: This house is in the blight fight area and the HBA is very strict on time lines and quality of work.

1. House must be completely be wired by a licensed electrician
2. House must be totally re-plumbed by a licensed plumber
3. Will need a new furnace and water heater by a licensed contractor
4. All work on the house must be done by a licensed contractor
5. The house will need new siding
6. Replace all widows must meet the energy code
7. Will need to insulate the house to the energy code
8. Foundation is sagging this must be properly fixed some parts need to be removed and rebuilt
9. Remove the trees growing from the foundation
10. Contractor must be lead certified
11. Must fix rotted rafters and boards in ceiling
12. Fix all ceilings that have fallen down
13. Must fix the bathroom floor with new joists and flooring
14. The bathroom will need all new fixtures including a tub or shower
15. All the bad wood on the porches must be fixed the back porch will need a new roof built.
16. The roof will need to be removed and a new roof installed with the ice and water shield installed
17. All bad joists and rotten wood in floor must be replaced
18. New cabinets and countertops in the kitchen
19. Need new carpet and flooring
20. Need smoke alarms to code
21. New doors and trim
22. New steps on the front and back to be built to code
23. New guard rails on the front porch
24. Must fix the drywall and prime and paint to code

A report must be returned to me to review and report back to the HBA by the 22nd of April.

This report must include a complete detailed list of the work that is to take place on the building and the detailed time frame that the work will be completed in, along with a detailed list of the costs and labor that will be needed to complete the work.

This house is in the blight fight area and the HBA is looking to a short resolution to the building being repaired or removed. Failing to stay on the time line will cause this to go back to the HBA to be reviewed as a dangerous building.

Kirk Briggs, Building Official

Date