



**OWOSSO CARNEGIE LIBRARY PROPERTY COMMITTEE**

**May 28, 2026 at 6 PM at Owosso City Hall**

**Call to order:**

**Roll Call**

Present:

Absent:

**Agenda and Minutes:**

Motion to approve May 28, 2026 agenda

Motion to approve April 23, 2026 meeting minutes

**Agenda Items:**

- |  |             |
|--|-------------|
| 1. Review of Library Expenses and MISC inquiries:      | INFORMATION |
| 2. Review of Historic District Boundaries and Options: | INFORMATION |
| 3. Review of Zoning and Parking Requirements:          | INFORMATION |

NOTE: Lease Agreement between district library and city included in packet

**Public Comment**

**Member Comment**

**Next Meeting:** June 25, 2026 @ 6 PM

**Adjourn**



MINUTES FOR REGULAR MEETING  
**OWOSSO CARNEGIE LIBRARY PROPERTY COMMITTEE**

Thursday, April 23, 2026 at 6:00 p.m.  
Owosso City Hall

**MEETING CALLED TO ORDER:** at 6:02 p.m.

**ROLL CALL:**

**PRESENT:** Chairman Rob Teich, Vice Chairman Justin Horvath, Tom Cook, Piper Brewer, Gary Wilson, Sean Harrington, Jeff Ferweda, and Nathan Henne, City Liaison (non-voting).

**ABSENT:** None.

**AGENDA APPROVAL:** April 23, 2026.

**MOTION FOR APPROVAL OF THE AGENDA BY COOK. SECONDED BY HARRINGTON.**

**AYES ALL. MOTION CARRIED.**

**MINUTES APPROVAL:** N/A — This is the first meeting of the committee.

**COMMUNICATIONS**

None.

**ITEMS OF BUSINESS:**

**1. Committee Mission Statement (RESOLUTION)**

The committee reviewed and discussed the proposed mission statement for the Owosso Carnegie Library Property Committee.

**MOTION FOR APPROVAL OF THE COMMITTEE MISSION STATEMENT BY COOK. SECONDED BY BREWER.**

**AYES ALL. MOTION CARRIED.**

**2. Committee Rules (RESOLUTION)**

The committee reviewed and discussed the proposed rules governing the operation of the committee.

**MOTION FOR APPROVAL OF THE COMMITTEE RULES BY HORVATH. SECONDED BY WILSON.**

**AYES ALL. MOTION CARRIED.**



### **3. Overview / History of Carnegie Library (INFORMATION)**

The committee received an overview of the history of the Owosso Carnegie Library and a broader discussion of Carnegie libraries throughout Michigan and how they have been reused in other communities.

### **4. Deed Information and Reverter Clause Efforts To Date (INFORMATION)**

The committee received information regarding the deed to the Carnegie Library property and the reverter clause contained therein. The committee had questions regarding the quiet title process. A communication from the City Attorney to the City Manager on this subject was shared with the committee.

The committee expressed a desire to hear directly from the City Attorney at the May meeting regarding the quiet title process and his efforts to date in contacting members of the Woodard family.

### **PUBLIC COMMENTS:**

Nicky Sheldon, 619 N. Hickory Street, addressed the committee with the following comments: The disability accessibility consultant should present at a formal public meeting rather than the library walkthrough, so that members of the public have the opportunity to hear from the consultant. The Carnegie Library is an important community asset with deep ties for residents of all ages. Ms. Sheldon cautioned that when cities sell assets, the community benefit tends to be less lasting than retaining ownership for future generations.

### **MEMBER COMMENTS:**

The committee discussed the information they would like staff to prepare for the May meeting. The following items were requested:

- Financial information regarding building utilities, maintenance costs, and related expenses.
- A copy of the existing lease agreement between the City and the library.
- A list of known maintenance needs for the building.
- Whether the property is referenced in the City's Master Plan and, if so, in what context.
- Basic property information, including: current zoning, number of available parking spaces, any appraisal of the property on file, and building floor plans.
- Whether the City has any current or anticipated need for the space for municipal operations.

**NEXT MEETING:** May 28, 2026

**MOTION TO ADJOURN THE MEETING MADE BY HORVATH. SECONDED BY WILSON.**

**AYES ALL. MEETING ADJOURNED AT 7:08 P.M.**



## OWOSSO LIBRARY COMMITTEE

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### MEMORANDUM

**TO:** Owosso Library Committee  
**FROM:** Nathan Henne, City Manager  
**DATE:** May 20, 2025  
**RE:** Library Building Utilities, Maintenance Costs & Insurance, Appraisal, Parking Lot Ownership, Estimates to Eliminate ADA issues.

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#### **Purpose**

This memorandum is provided as an informational item for the May 28, 2025 regular meeting of the Owosso Library Committee. It summarizes the known annual operating costs for the library building at 502 W. Main Street, the party responsible for each expense under the 2021 Lease Agreement, and the current insurance status of the property. Cost data was gathered from the Shiawassee District Library Director and the City's Finance Department.

#### **Background**

City Manager Henne requested utility and maintenance cost data from two sources: Library Director Kimberly White and City Finance Department.

The library building is occupied by the Shiawassee District Library under a Lease Agreement executed April 5, 2021 between the City of Owosso (Landlord) and the Shiawassee District Library (Tenant). The lease established a 5-year term with automatic annual renewals absent 30-day written notice to quit.

#### **Lease: Cost Responsibilities Summary**

The 2021 Lease Agreement (Paragraphs 3 and 4) divides financial responsibility as follows:

- District Library (Tenant) – pays all utilities including gas, water, electricity, and heat (\$3a); cleanliness and snow/ice removal (\$3b); interior maintenance up to the Annual Maintenance Amount (\$3c); interior wall and floor coverings (\$3f); and signage (\$3g).

- City of Owosso (Landlord) – pays all maintenance costs exceeding the Annual Maintenance Amount (§4c); maintains roof, exterior walls, interior walls, floors, and parking lot (§4b); and is solely responsible for ADA and accessibility compliance (§4f).
- Annual Maintenance Amount – set at \$3,500 in Year 1 (2021), increasing annually by the lesser of actual inflation or 5%, compounded. The estimated cap for 2025 (Year 5) is approximately \$4,050–\$4,300, subject to actual inflation figures applied.

Important note: Finance Department's review of City expenditure records (April 2025–April 2026) confirms the City's actual spending on the library totaled only \$253.96 in paid invoices plus \$75.48 in DPW overtime labor and \$27.68 in equipment costs — a grand total of \$253.96 in paid costs, or \$1,741.96 including a pending boiler pump repair of approximately \$1,488. This amount is well below the Annual Maintenance Amount cap, indicating that the Library has been absorbing all costs within its threshold and has not yet triggered the City's obligation to cover amounts above the cap during this period.

### **Insurance Status**

The Finance Department identified the following regarding building insurance:

- The City's annual insurance renewal survey lists the building at a covered value of \$2,789,970. Per Lease §4(a), the City as Landlord is required to insure the building at 100% of full insurable replacement value.
- The Library's proof of insurance lists buildings and personal property at \$4,993,004. Per Lease

Expense Item	Paid By (Lease Ref.)	2025 Cost
4-Yard Dumpster Service (annual)	District Library (§3b)	\$900.00
Electrician / Trades (beyond DPW, 2025)	Library to cap; City above cap (§3c/4c)	\$1,004.30
Janitorial Services (3 days/week)	District Library (§3b)	\$30,800.00
Floor Mats (annual)	District Library (§3f)	\$1,200.00
Carpet Cleaning (1–2 times/year)	District Library (§3f)	\$875–\$1,750
<b>Est. Annual Total – Library-paid items</b>	<b>District Library</b>	<b>~\$62,104–\$63,929+</b>
<b>City of Owosso – Actual Expenditures (Apr 2025–Apr 2026, per Finance Dept.)</b>		
Misc. Repairs – 3 invoices paid (window, hardware, routine)	City of Owosso (§4c)	\$150.80
DPW Overtime Labor (2 hrs OT, Library activity code)	City of Owosso (§4c)	\$75.48
Equipment – Pickup Truck (2 hrs)	City of Owosso (§4c)	\$27.68
Boiler Pump Repair (pending, not yet paid)	City of Owosso (§4c)	~\$1,488.00
<b>Total City Expenditures (paid)</b>	<b>City of Owosso</b>	<b>~\$1,741.96</b>
Roof, Exterior Walls, Floors, Parking Lot	City of Owosso (§4b)	No expenditures this period
ADA / Accessibility Compliance	City of Owosso (§4f)	No expenditures this period

Color key: Navy = District Library | Dark red = City of Owosso | Olive = shared / subject to Annual Maintenance Amount cap

*Note: Janitorial costs exclude paper supplies. Carpet cleaning reflects 1–2 cleanings/year. Elevator maintenance covers basic service only; per-call services billed separately. City expenditure data sourced from Finance Specialist Lucas Allen, April 9, 2026. Water/sewer: Q1 \$245.33 + Q2 \$251.24 + Q3 \$305.34 + Q4 \$293.18 = \$1,095.09.*

### Deferred Capital Needs & Building Concerns

Library Director White identified the following significant items requiring attention. Lease responsibilities are noted for each item. Major improvement projects above \$10,000 trigger the cost-sharing schedule in Lease §4(e).

- Window replacement throughout the building
- Gutter and soffit repair and repainting
- Removal of window air conditioning units
- Boiler plumbing / pump repair (§3c/4c – subject to Annual Maintenance Amount)
- Flooding issue remediation at the east entrance
- Parking – building is significantly below code

- Accessibility / ADA compliance – no fully accessible entry or restroom access

Projects above \$10,000 are subject to the cost-sharing schedule in Lease §4(e): City 90% / Library 10% for projects over \$10,000; 75%/25% over \$25,000; 50%/50% over \$50,000.

### **Committee Tour Questions**

Following the committee's tour of the Carnegie Library building on May 14, 2026, a number of questions were raised by committee member Rob Teich and forwarded to City Manager Nathan Henne. The following summarizes the questions and the City's responses.

**Q: Has the building been appraised? What is its current value?**

A: No appraisal has ever been done. Appraisals cost money and the City has not had a need for one. The City is not pursuing an appraisal unless ordered to do so by the City Council. Library renovations are not in the budget or mentioned in current city goals. An appraisal should be done if the city pursues a sale so that we can draft an accurate request for proposal listing an asking price.

**Q: Who owns the parking lot?**

A: The City of Owosso owns the parking lot.

**Q: Can the City obtain renovation estimates to bring the building up to code (similar to the Gould House situation)?**

A: The City will not be seeking renovation estimates at this time. Obtaining estimates has a cost, and since the City does not plan to perform the work, pursuing estimates is not warranted. Any such work would occur in the context of possible redevelopment. The City is not pursuing this on its own initiative unless directed by the City Council. If city council orders estimates to be drafted, this will require a 3<sup>rd</sup> party engineer to draft the estimate. An estimate now would potentially be useless after a period of time (conservatively 5-6 months) because prices change.

**Q: Will Scott Gould be at the next committee meeting?**

A: Yes, Scott Gould is confirmed to attend the next meeting.

**Q: What is the current lease agreement?**

A: Lease agreement has been provided to committee members in the May 28, 2026 packet.



## CITY OF OWOSSO MEMORANDUM

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**TO:** Owosso Library Committee  
**FROM:** City Manager  
**DATE:** May 20, 2026  
**RE:** Historic Status of the Carnegie Library Property - Options

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### **I. Historic District Status**

Following a thorough review of all City of Owosso ordinances and resolutions enacted from 2010 (the year in which the Owosso Historic District was established) through the date of this memorandum it has been confirmed that the Carnegie Library property located at 502 West Main Street is not included within the boundaries of the current Owosso Local Historic District. No subsequent ordinance or resolution has amended the district boundaries to incorporate the library parcel.

### **II. National Register of Historic Places Status**

The library property is likewise not individually listed on the National Register of Historic Places (NRHP), nor is it a contributing resource within any NRHP-listed historic district in Shiawassee County. A review of the complete National Park Service inventory of NRHP-listed properties in Shiawassee County, Michigan that the Carnegie Library / Shiawassee District Library at 502 West Main Street does not appear among the listed properties.

### **iii. Option A — Expansion of the Owosso Local Historic District**

It is legally possible to add the Carnegie Library property to the Owosso Local Historic District even though the property is currently situated entirely outside the existing district boundaries. Michigan Public Act 169 of 1970 (as amended), the Local Historic Districts Act, provides a defined process for boundary amendments, including expansions to incorporate properties not contiguous with an existing district. That process generally requires the following steps:

1. Initiation of the boundary amendment by a property owner, the Historic District Commission (HDC), or the governing body.
2. Appointment of a Historic District Study Committee to evaluate whether the property meets the criteria for historic significance under PA 169.
3. Survey and documentation of the property's historic and architectural significance.
4. A public hearing held by the governing body prior to final action.
5. Notification to and review by the Michigan State Historic Preservation Office (SHPO).

6. Amendment of the City's historic district ordinance by the governing body to reflect the revised boundaries.

While there is no absolute legal bar under PA 169 to adding a non-contiguous parcel, the Committee should be aware that some local ordinances include adjacency or contiguity requirements. A review of the specific language of the Owosso historic district ordinance is recommended before proceeding. Property owner consent is not legally required, though it is a practical consideration. This approach would place the library property under the jurisdiction of the HDC with respect to exterior alterations, demolition, and new construction, providing a durable, government-administered layer of preservation protection.

#### **IV. Option B — Deed Restrictions Upon Sale (Simpler Alternative)**

A potentially simpler and less burdensome alternative to district expansion would be to negotiate and record deed restrictions on the library property in connection with any future sale of the parcel. Deed restrictions are private legal instruments that run with the land and bind subsequent owners to specified conditions without imposing ongoing government regulatory oversight.

Such restrictions could include provisions prohibiting demolition of the building's historic exterior features, requiring that any exterior alterations or additions be compatible with the building's historic character, and/or mandating consultation with a preservation professional prior to significant physical changes. Because the restrictions would be contractual rather than regulatory, this approach avoids adding another layer of government regulation to the property while still providing meaningful, enforceable long-term protection for the historic Carnegie Library building.

The Committee may wish to consult with the City Attorney regarding the specific terms and enforceability of any proposed deed restrictions, and to identify an appropriate party — such as a local preservation organization or the City itself — to hold enforcement rights under such restrictions.



## OWOSSO LIBRARY COMMITTEE

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**TO:** Owosso Library Committee  
**FROM:** City Manager  
**DATE:** May 20, 2026  
**RE:** Carnegie Library Building – Zoning Classification, Permitted Uses, Parking Lot Inventory, and Parking Requirement Analysis.

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### **Purpose**

This memorandum is provided as an informational item for the May 28, 2026 regular meeting of the Owosso Library Committee. It summarizes the current zoning classification of the Carnegie Library building at 502 W. Main Street, identifies all principal permitted uses and special land uses authorized under that designation per the City of Owosso Zoning Ordinance (Chapter 38, adopted March 2024), documents the current parking inventory in the adjacent City-owned parking lot, and analyzes how that inventory compares with the parking requirements the ordinance would impose for the existing library use and for two alternative uses: a restaurant and a 10-unit residential apartment complex (purely examples!).

### **Current Zoning: Central Business District (CBD)**

The Carnegie Library property at 502 W. Main Street is currently zoned Central Business District (CBD). Per Sec. 38-91 of the Zoning Ordinance, the CBD “is intended to provide for a traditional mixture of small office buildings, specialty retail stores, entertainment, public spaces, and related activities that are mutually supporting and serve the needs of both the city and surrounding communities. The intent of these district regulations is to encourage a lively social environment and economically viable downtown with a wide variety of uses in a pedestrian-oriented, unified setting, with shared parking.” The district also makes special provisions for vertical zoning, allowing upper floors to be used as residential dwellings.

### **CBD Principal Permitted Uses (“P” – Permitted by Right)**

The following uses are permitted by right in the CBD under Sec. 38-92:

**Residential:** Home occupations; in-home offices; upper floor residential; first floor rear-access dwelling units in mixed-use buildings with no frontage on the primary street; multiple-family dwellings; existing single-family detached dwellings; single-family attached dwellings.

**Entertainment & Recreational:** Entertainment establishments in enclosed buildings (e.g., video arcades, bowling alleys, billiard halls); health clubs and fitness centers; public recreation facilities.

**Finance, Medical & Professional:** Animal grooming; banks, savings & loans, and credit unions (no drive-throughs); business service establishments; offices and medical clinics (including chiropractors, osteopaths, optometrists, and similar professions); professional services.

**Service & Retail:** Convenience stores (without gasoline); drive-through window facilities; dry cleaners (retail outlet); general retail uses; hotels and motels; laundromats; marijuana provisioning centers; personal service establishments; restaurants (carry-out, delicatessens, fast-food, and standard); retail businesses and centers up to 18,000 sq. ft. GLA; studios for art, photography, music, dance, and similar uses.

**Public, Institutional & Utilities:** Business, research, vocational, and technical training schools; public and quasi-public institutional buildings, structures, and uses.

**Accessory:** Accessory buildings, structures, and uses customarily incidental to any of the above principal permitted uses.

### **CBD Special Land Uses (“S” – Require Planning Commission Approval)**

The following uses require special land use approval from the Planning Commission in the CBD:

**Residential:** Nursing and convalescent homes; senior housing (not including nursing homes); adult and child residential care facilities.

**Entertainment & Recreational:** Banquet, conference, dance, lodge and union halls, and private clubs; theaters, cinemas, and similar assembly buildings; private recreation facilities.

**Finance:** Banks and credit unions with drive-throughs at rear of site; banking centers including drive-through ATMs.

**Service & Retail:** Bed and breakfast inns; bus and rail passenger stations; commercial parking lots; garden centers; hotels and motels including accessory convention/meeting facilities; outdoor display, sales, and storage; retail businesses and centers exceeding 18,000 sq. ft. GLA; storage on upper levels; bed and breakfasts.

**Public, Institutional & Utilities:** Places of worship and similar places of assembly; essential public services.

### **Parking Lot Inventory**

The City of Owosso owns the parking lot adjacent to the Carnegie Library building. A field count of the lot identifies a total of 28 parking spaces, including the designated handicap-accessible space(s). This lot currently serves as the primary off-street parking for library patrons and staff. As noted in the prior committee memorandum regarding deferred capital needs, the building’s parking is currently below applicable code requirements for ADA accessibility, with the sole accessible entry located off the parking lot through a narrow passage between a chain link fence and a dumpster enclosure.

### **Parking Requirement Analysis – Existing Library Use**

Under Sec. 38-185 of the Zoning Ordinance, the parking requirement for post offices, public libraries, and museums is 1.0 space per 200 square feet of gross floor area (GFA) available for public use, plus spaces for employees and delivery vehicles.

Applying this standard to the 11,000 sq. ft. library building:

$$11,000 \text{ sq. ft.} \div 200 = 55 \text{ spaces (public area component)}$$

Plus additional spaces for employees and delivery vehicles (not calculated here, as exact staffing levels would be confirmed with the Library Director)

**Minimum required: 55+ spaces**

With only 28 spaces in the adjacent City-owned lot, the site is currently at least 27 spaces short of the minimum required for the library use alone – a deficit of approximately 49% or more. This shortfall is a pre-existing nonconforming condition under the current lease arrangement. The ordinance does provide for CBD-specific flexibility: per Sec. 38-183(2)(b), parking in the CBD may be satisfied by spaces within 500 feet of the building entrance, including open public parking lots and on-street parking. The extent to which such off-site capacity is available and credited would require a parking supply and demand analysis.

### **Parking Requirement Analysis – Restaurant (Hypothetical Alternative Use)**

Restaurants are a permitted use by right in the CBD. Parking requirements under Sec. 38-185 depend on the type of restaurant. For purposes of this analysis, the most common scenarios applicable to the 11,000 sq. ft. building are as follows:

#### **Standard Restaurant with Liquor License:**

1.0 space per 60 sq. ft. of GFA, or 0.6 spaces per seat, whichever is greater  
 $11,000 \text{ sq. ft.} \div 60 = 183 \text{ spaces}$

**Minimum required: 183 spaces | Deficit with 28 available: 155 spaces**

#### **Standard Restaurant without Liquor License:**

1.0 space per 70 sq. ft. of GFA, or 0.5 spaces per seat, whichever is greater  
 $11,000 \text{ sq. ft.} \div 70 = 157 \text{ spaces}$

**Minimum required: 157 spaces | Deficit with 28 available: 129 spaces**

A restaurant use of any type in this building would require significantly more parking than the existing lot can provide – a parking deficit of between 110 and 183 spaces depending on restaurant type. Bars and taverns (majority alcoholic beverage sales) carry an even higher burden of 1.0 space per 75 sq. ft., which would generate a requirement of approximately 147 spaces. While the CBD shared parking and off-site provisions of Sec. 38-183(2)(b) would apply, the magnitude of the deficit makes a restaurant use of the full 11,000 sq. ft. building a significant parking planning challenge without significant additional off-site parking agreements.

### **Parking Requirement Analysis – 10-Unit Residential Apartment Complex (Hypothetical Alternative Use)**

Multiple-family dwellings are a permitted use by right in the CBD under Sec. 38-92. The parking requirement for a residential apartment complex under Sec. 38-185 is as follows:

1.5 spaces per each efficiency or one-bedroom unit

2.0 spaces per each two-bedroom unit

2.5 spaces per each three-or-more-bedroom unit

Plus visitor off-street parking equal to at least 20% of the total spaces required

For a 10-unit complex, the parking requirement varies by unit mix. The table below illustrates three scenarios:

#### **Scenario A – All One-Bedroom Units (10 units):**

$10 \text{ units} \times 1.5 = 15 \text{ spaces}$ , plus 20% visitor = 3 spaces

**Total required: 18 spaces | Available: 28 | Surplus: 10 spaces**

#### **Scenario B – All Two-Bedroom Units (10 units):**

$10 \text{ units} \times 2.0 = 20 \text{ spaces}$ , plus 20% visitor = 4 spaces

**Total required: 24 spaces | Available: 28 | Surplus: 4 spaces**

**Scenario C – All Three-or-More-Bedroom Units (10 units):**

10 units × 2.5 = 25 spaces, plus 20% visitor = 5 spaces

**Total required: 30 spaces | Available: 28 | Deficit: 2 spaces**

A 10-unit residential apartment complex is the use scenario most compatible with the existing 28-space parking lot. A mix of one- and two-bedroom units would comfortably satisfy parking requirements within the existing lot inventory. Only a complex of exclusively three-or-more-bedroom units would produce a modest shortfall of 2 spaces – a deficit that could potentially be addressed through on-street parking credits available under the CBD shared parking provisions. This represents a substantially better fit with the site’s parking capacity than either the current library use or a restaurant use.

**Summary Comparison**

The table below summarizes the parking position for each use scenario against the 28 spaces available in the City-owned parking lot:

Public Library (existing)	1/200 sq. ft. GFA + employees	55+ minimum	(27+) deficit
Restaurant w/ Liquor License	1/60 sq. ft. GFA (or 0.6/seat)	183	(155) deficit
Restaurant w/o Liquor License	1/70 sq. ft. GFA (or 0.5/seat)	157	(129) deficit
Fast Food (no drive-through)	1/80 sq. ft. GFA (or 0.5/seat)	138	(110) deficit
10-Unit Apt. – All 1-Bedroom	1.5/unit + 20% visitor	18	+10 surplus
10-Unit Apt. – All 2-Bedroom	2.0/unit + 20% visitor	24	+4 surplus
10-Unit Apt. – All 3+ Bedroom	2.5/unit + 20% visitor	30	(2) deficit

## LEASE AGREEMENT

This Lease Agreement (Lease) is made this 5<sup>th</sup> day of April, 2021, by and between the City of Owosso, a municipal corporation (Landlord), whose address is 301 West Main Street, Owosso, Michigan 48867, and the Shiawassee District Library (Tenant), whose address is 502 West Main Street, Owosso, Michigan 48867.

For valuable consideration received, Landlord and Tenant agree as follows:

1. In consideration of the rents to be paid and the covenants to be performed by Tenant under this Lease, Landlord leases to Tenant and Tenant leases from Landlord certain Premises (the Premises) that is situated in the City of Owosso, County of Shiawassee, Michigan, commonly known as 502 West Main Street (the Library). The Premises are more particularly depicted and designated on attached Exhibit A.

2. The term of this Lease (Term) shall be for a 5-year period commencing on April 5, 2021 (Commencement Date), and terminating on April 4, 2026 (Expiration Date). Unless a party to this Agreement provides the other party a written notice to quit at least thirty (30) days prior to the Expiration Date, this Agreement shall automatically renew for one year; and thereafter automatically renew for one year, annually, until a written thirty (30) day notice to quit is provided by terminating party to the other party. This Agreement is subject to earlier termination as provided for in this Lease and on the terms and for the Annual Maintenance Amount set forth below before the annual Expiration Date.

3. In consideration of this Lease, the Tenant shall provide library services in the City of Owosso, and in addition shall be responsible for and pay all of the costs of the following:

a. The Tenant shall pay for all gas, water, heat, electricity, light, telephone, or any other communication or utility service used in or rendered or supplied to the Premises during the term of this Lease, as the same shall become due. Landlord shall not be liable for damages if the furnishing of any utilities is interrupted by fire or other casualty, accident, strike, labor dispute, or disagreement; the making of any necessary repairs or improvements; or any other causes beyond Landlord's reasonable control.

b. The Tenant shall not perform any acts or carry on any practices which may injure the building and, except as to the parking lot, shall keep the Premises under its control clean and free from rubbish, dirt, snow and ice at all times.

c. Except as provided in Paragraph 4, the Tenant shall maintain the Premises and all

fixtures and equipment therein, including all plumbing, sprinkler, heating, air-conditioning, electrical, gas and like fixtures and equipment, all window glass, ceilings, doors and door frames, windows and window frames of the Premises in good repair and condition, and shall make all repairs to such fixtures and equipment, except that the Tenant's obligation to make such maintenance shall be limited to an Annual Maintenance Amount as calculated below. The Tenant shall notify the Landlord in writing of each of the costs of such maintenance. At such time as the total expenditures for maintenance under this section in a calendar year equal the Annual Maintenance Amount, the Tenant shall notify the Landlord of that fact and shall notify the Landlord of any additional maintenance projects that arise during the remainder of the calendar year.

i. Annual Maintenance Amount:

Year 1..... \$3,500.00

Year 2 and every subsequent year thereafter ....\$3,500.00 plus positive inflation or 5%, whichever is less, compounded annually.

d. The Tenant shall provide comprehensive and general, public liability insurance against claims for personal injury, death or property damage occurring in connection with the use and occupancy of the Premises, or arising out of the improvement, repair or alteration of the Premises. The limits of such insurance shall be not less than \$1,000,000 per occurrence. The Tenant shall furnish the Landlord a binder renewing the insurance policy at least 30 days before the policy expires. The policy or binder shall provide for at least 30 days' notice to the Landlord of any change in coverage or of cancellation.

e. The Tenant shall be responsible for the risk of loss of all its personal property on the Premises and shall provide fire and extended coverage insurance on Tenant's personal property located in the Premises in amounts reasonably deemed adequate by the Tenant to fully insure such personal property.

f. The Tenant shall maintain the interior wall coverings and floor coverings in good repair and shall replace such wall and floor coverings at its own expense as needed.

g. The Tenant shall be solely responsible for the provision, maintenance and repair of any exterior and interior signs relating to the use of the Premises.

h. If the Tenant does not observe, perform and keep all of the terms of this Lease, the Landlord shall provide written notice of the Tenant's failure, and the Tenant shall have 30 days after receipt of such notice to cure the failure. If the Tenant does not cure the failure within that 30 day period, then the Landlord may enter upon the Premises and perform the Tenant's obligations. If the Landlord incurs any expense arising out of the Tenant's failure, neglect or refusal to perform its obligations under this Lease, the Tenant shall reimburse the Landlord for such amount within 30 days of notice and demand for such payment.

i. To the extent permitted by law, the Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises by Tenant or its agents, contractors, or invitees; or (c) any event on or within the Premises, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or from Landlord's intentional misconduct.

4. The Landlord shall undertake the following:

a. The Landlord shall at all times during the term of this Lease keep the Premises insured against loss or damage caused by fire, with extended coverage, boiler and machinery insurance, water damage and windstorm damage, in an amount not less than 100% percent of the full insurable value as determined from time to time. The term "full insurable value" means actual replacement cost without deduction for physical depreciation. The policy shall identify the Tenant as an additional or named insured.

b. The Landlord shall maintain the roof, exterior walls, interior walls, floors and parking lots in good condition. The Tenant shall notify the Landlord in writing as soon after discovery as possible, of any damage or substantial deterioration of the roof, walls, floors or parking lots, indicating in such notice the nature and extent of the damage or substantial deterioration. The Landlord shall commence within 30 days after delivery of such notice to determine the extent of the necessary repairs and shall notify the Tenant of the proposed schedule for repair, and shall promptly and diligently complete the repairs.

c. The Landlord shall pay all costs in excess of the determined Annual Maintenance Amount (as provided in Paragraph 3(c)(i)) incurred by the Tenant pursuant to Section 3(c) above necessary to maintain the Premises and all fixtures and equipment therein, including all plumbing, sprinkler, heating, air-conditioning, electrical, gas and like fixtures and equipment, all window glass, ceilings, doors and door frames, windows and window frames of the Premises in good repair and condition, and shall make all repairs to such fixtures and equipment. Upon receipt of notice from the Tenant that the Tenant has expended the Annual Maintenance Amount for such maintenance in a calendar year and that repairs in excess of Annual Maintenance Amount are necessary to be made to maintain the Premises during the calendar year, the Landlord shall promptly undertake such repairs at its own expense.

d. In the event the Landlord shall determine that it is necessary to repair or replace the roof, interior or exterior walls, or floors, or to undertake other improvements or alterations to the Premises, the Landlord shall notify the Tenant of such determination and shall provide to the Tenant all designs and specifications for such improvements. Prior to commencement of construction of such improvements, the Landlord shall receive the

prior written consent of the Tenant to such improvements and to the schedule for construction of such improvements.

e. Projects, expansions or major modifications to the Premises beyond normal maintenance as described in paragraphs 3c and 4, of which Tenant desires, shall first seek written approval of Landlord and shall comply with the following cost sharing schedule:

Actual Project Cost	Cost paid by Landlord	Cost paid by Tenant
≥\$10,000.00 .....	90% .....	10%
≥\$25,000.00 .....	75%.....	25%
≥\$50,000.00 .....	50%.....	50%

The Actual Project Costs within this schedule are fixed amounts and shall not be adjusted with inflation.

f. The Landlord shall be responsible for assuring that access to the Premises (exterior and interior) is in continuing compliance with the Americans with Disabilities Act and the Michigan Handicappers' Civil Rights Act, and any other applicable laws governing access to the Premises for persons with disabilities.

5. The Tenant covenants not to assign or transfer this Lease under any circumstances without the prior written consent of the Landlord.

6. The Landlord hereby represents and warrants to the Tenant as follows:

a. To the best of the Landlord's knowledge, the Premises have been used and operated in compliance with all applicable federal, state and local laws and regulations related to air quality, water quality, waste disposal or management, hazardous or toxic substances, and the protection of health and the environment.

b. The Landlord has not disposed of any hazardous or toxic substances on or in the Premises and, to the best of the Landlord's knowledge, the Premises and the groundwater beneath the Premises are free from environmental contamination of any kind.

c. The Premises do not include any 'underground storage tank', as that term is defined in the Hazardous Solid Waste Amendments of 1984 to the Resource Conservation and Recovery Act.

Such representations and warranties shall be deemed to have been made by the Landlord as of the date first specified above. The Landlord agrees to indemnify the Tenant and hold it harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties,

damages, and losses, including, but not limited to, reasonable attorney's fees, resulting from any misrepresentation or breach of the warranties set forth in this paragraph. The representations, warranties and covenants set forth in this paragraph shall survive the termination of this lease.

7. The Premises, during the continuance of this lease, shall be used and occupied for providing public library services to the residents in the Shiawassee District Library district and for no other purpose or purposes without the written consent of the Landlord, and that the Tenant will not use the Premises for any purpose in violation of any federal or state law, municipal ordinance or regulation, including the federal Americans with Disabilities Act and the Michigan Handicappers' Civil Rights Act and that on any breach of this Agreement, the Landlord shall provide written notice to the Tenant of such breach, and the Tenant will have 30 days, or such longer period as may be reasonably necessary, to cure the breach. If the Tenant fails to timely cure the breach, then the Landlord may at its option terminate this lease and re-enter and repossess the Premises.

8. If the Premises are damaged or destroyed in whole or in part by fire or other casualty during the term hereof, the Landlord will repair and restore the same to good tenantable condition with reasonable dispatch. The Tenant shall remove its damaged goods, wares, equipment or property within a reasonable time to permit the repair and restoration.

9. The Landlord shall have the right to enter upon the Premises at all reasonable hours with reasonable advance notice or without notice in an emergency for the purpose of inspecting the same. If the Landlord deems any repairs necessary, that are required of the Tenant, then the Landlord may demand that the Tenant make the same and if the Tenant refuses or neglects forthwith to commence such repairs and complete the same with reasonable dispatch, the Landlord may make or cause to be made such repairs and shall not be responsible to the Tenant for any loss or damage that may accrue by reason thereof.

10. The Landlord covenants that the Tenant, on payment of any sums due from Tenant, and performing all the covenants required of Tenant, shall and may peacefully and quietly have, hold and enjoy the Premises for the term.

11. Each and every of the rights, remedies and benefits provided by this Agreement are cumulative and are not exclusive of any other rights, remedies and benefits.

12. One or more waivers of any covenant or condition by the Landlord shall not be construed as a waiver of a further breach of the same covenant or condition.

13. Whenever notice of any kind is required under this Lease, it shall be deemed sufficient notice and service if such notice is in writing addressed to the applicable party at its last known Post Office address and deposited in the mail with postage prepaid.

14. On the Expiration Date (as may be extended), Tenant will promptly deliver all keys for the Premises to Landlord. Tenant will deliver the Premises broom clean and in the same condition as on the Lease Date, reasonable wear and tear excepted. Any damage to the Premises

resulting from the removal of items of personal property will be repaired at Tenant's expense. Tenant will reimburse all expenses paid or incurred by Landlord in connection with repairing or restoring the Premises to the designated condition immediately on demand. If the Premises have become damaged or destroyed by fire or another casualty, the Landlord will promptly restore them to the required condition, including any modifications required to comply with current codes and regulations. Tenant will remove its personal property and trade fixtures from the Premises immediately on termination. Tenant represents that it is Tenant's intention that all personal property and fixtures remaining on the Premises after termination are abandoned by Tenant. Landlord may sell, discard, or keep such personal property and fixtures as it deems appropriate in its sole discretion. Tenant will reimburse all reasonable expenses paid or incurred by Landlord in connection with removing Tenant's personal property and fixtures immediately on demand.

15. This Lease shall be construed under the laws of the State of Michigan. Both parties agree that any litigation which stems from this Agreement shall be held within the County of Shiawassee and within the court of proper jurisdiction. If any provision of this Lease, or its application to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

16. No provisions of this Lease shall be amended unless a written amendment is signed by both parties.

Landlord and Tenant have executed this Lease on the date listed on the first page.

WITNESSES:

AJK Kirkland

Karen Schenck

Nancy Folan

SKy VB

LANDLORD: City of Owosso

BY: Christopher T. Eveleth  
Christopher T. Eveleth  
ITS: Mayor

BY: Amy K. Kirkland  
Amy K. Kirkland  
ITS: City Clerk

TENANT: Shiawassee District Library

BY: Robin Frederick  
ITS: President

BY: Robert J. [Signature]  
ITS: Secretary

Exhibit A – Property Legal Description

LOTS 5 & 10 BLK 8 LUCY L COMSTOCKS ADD