City of Birmingham
A Walkable Community

MEMORANDUM

Office of the City Manager

DATE: **July 31, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Joellen L. Haines, Assistant to the City Manager**

SUBJECT: **Request by the Birmingham Bloomfield Art Center to make interior renovations to be ADA/barrier-free compliant, pursuant to current Lease provisions**

The City of Birmingham has a lease agreement with the Birmingham Bloomfield Art Center effective July 1991 and amended in November 2010.

In the original lease agreement under Section 3, Alterations and Additions, there is the provision, "...that Tenant shall make no alterations or additions to the premises without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord may impose, as a condition to the aforesaid consent, such requirements as Landlord may deem necessary in its judgment, including without limitation the manner in which the work is done. All work shall be done in accordance with the applicable municipal codes."

Pursuant to this provision, the Birmingham Bloomfield Art Center has requested approval for its proposed project which provides interior ADA/barrier free compliance within the building between two main entrances at the main floor area. We have reviewed the plans and find that the renovations will directly affect mobility issues and provide interior ADA/barrier-free compliance.

Attached are copies of the original Lease Agreement, subsequent Amendment, and proposed plans from the Birmingham Bloomfield Art Center for the project.

SUGGESTED RESOLUTION: To consent to the interior alterations requested by the Birmingham Bloomfield Art Center to provide for ADA/barrier free compliance pursuant to the current lease provisions.

BIRMINGHAM BLOOMFIELD
ArtCenter
celebrating art for all since 1957

1516 S. Cranbrook Rd. Birmingham MI 48009
248.644.0866 BBArtCenter.org

July 21, 2015

Joseph A. Valentine
City Manager
City of Birmingham
151 Martin Street
Birmingham, MI 48009

Dear Mr. Valentine,

This letter is to request approval of an improvement to be made at the Birmingham Bloomfield Art Center located at 1516 S. Cranbrook Rd., Birmingham MI.

The project addresses our accessibility issues. We have received a capital grant from the state which will fund approximately one quarter of the project. I have included a portion of the grant narrative along with a schematic layout of the project to illustrate the compelling argument for this change and how this improvement will help us meet the needs of the physically challenged individuals in our community.

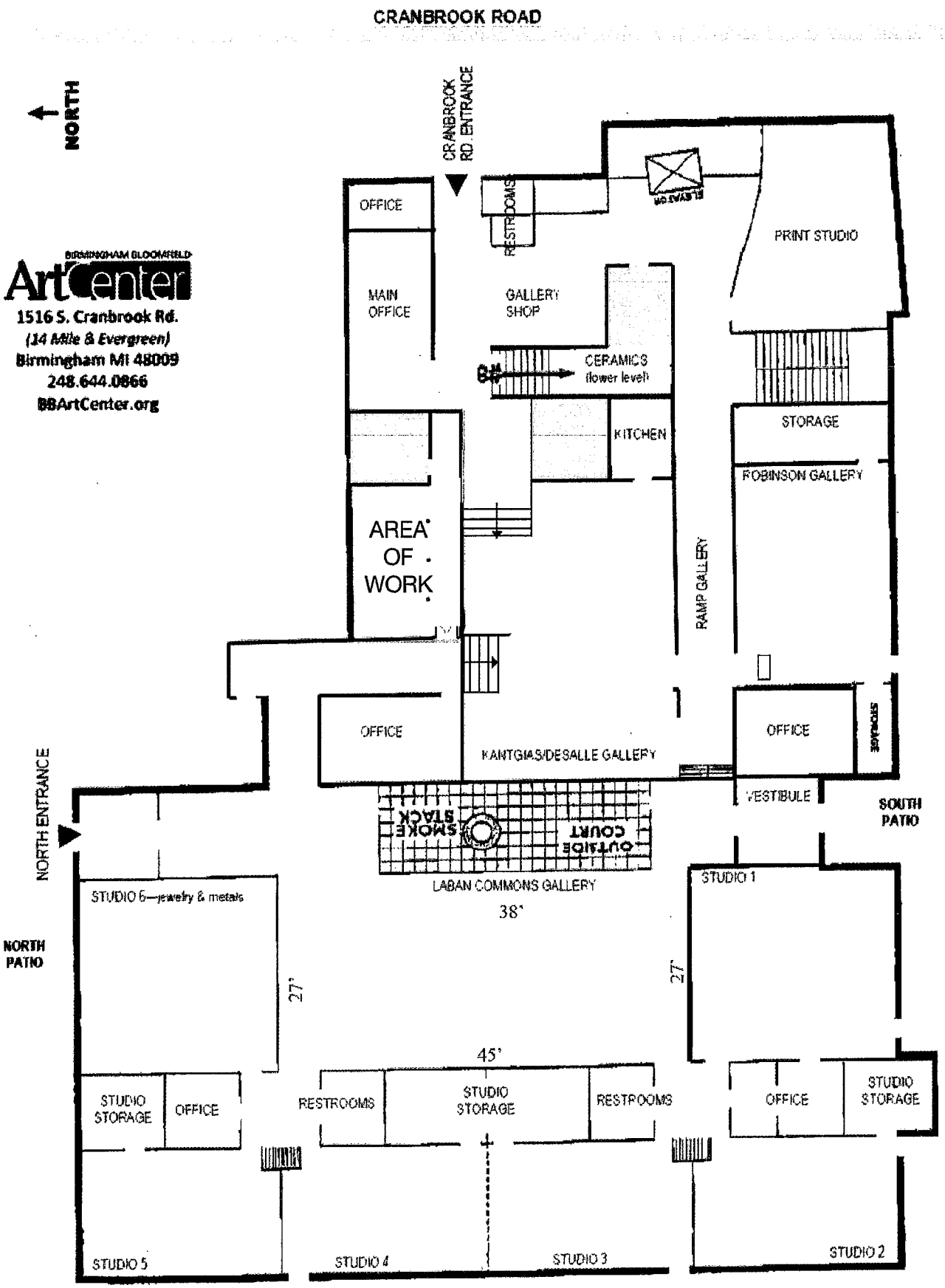
Victor Saroki from Saroki Architecture, Birmingham has provided the design work and Templeton Building Co, Birmingham will provide the construction work. Permits to the City of Birmingham have been submitted.

I look forward to sharing this new ADA compliant corridor with new and old visitors and continue to promote our vision for "art for all" regardless of abilities or disabilities.

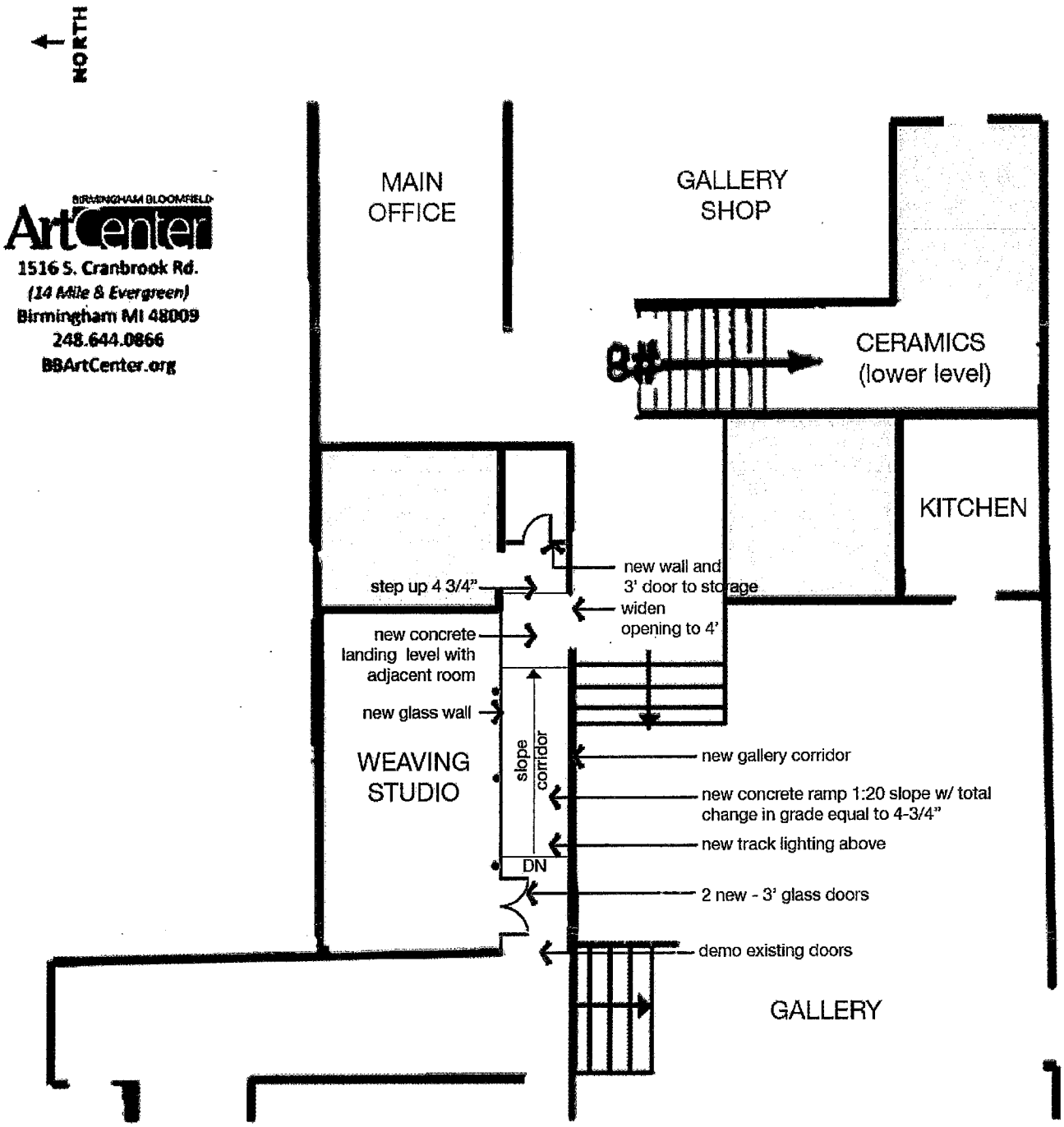
Best regards,

Annie VanGelderen
President & CEO
Birmingham Bloomfield Art Center

The Birmingham Bloomfield Art Center is recognized as a 501 (c) (3) organization by the Internal Revenue Service code. We have not provided you with goods or services in consideration of your gift. Your donation may be used as a recognized charitable contribution.


CRANBROOK ROAD
NORTH
CRANBROOK RD. ENTRANCE
BIRMINGHAM BLOOMFIELD
ArtCenter
1516 S. Cranbrook Rd.
(14 Mile & Evergreen)
Birmingham MI 48009
248.644.0866
BBArtCenter.org
OFFICE
RESTROOMS
PRINT STUDIO
MAIN OFFICE
GALLERY SHOP
CERAMICS (lower level)
KITCHEN
STORAGE
ROBINSON GALLERY
AREA OF WORK
RAMP GALLERY
OFFICE
KANTGIAS/DESALLE GALLERY
OFFICE
STORAGE
VESTIBULE
SOUTH PATIO
NORTH ENTRANCE
SMOKE STACK
OUTSIDE COURT
LABAN COMMONS GALLERY
38'
STUDIO 6—jewelry & metals
STUDIO 1
NORTH PATIO
27'
27'
45'
STUDIO STORAGE
OFFICE
RESTROOMS
STUDIO STORAGE
RESTROOMS
OFFICE
STUDIO STORAGE
STUDIO 5
STUDIO 4
STUDIO 3
STUDIO 2

EXISTING


NORTH
BIRMINGHAM BLOOMFIELD
ArtCenter
1516 S. Cranbrook Rd.
(14 Mile & Evergreen)
Birmingham MI 48009
248.644.0866
BBArtCenter.org
MAIN OFFICE
GALLERY SHOP
CERAMICS (lower level)
KITCHEN
step up 4 3/4"
new wall and 3' door to storage
widen opening to 4'
new concrete landing level with adjacent room
new glass wall
WEAVING STUDIO
slope
corridor
DN
new gallery corridor
new concrete ramp 1:20 slope w/ total change in grade equal to 4-3/4"
new track lighting above
2 new - 3' glass doors
demo existing doors
GALLERY

PROPOSED

(excerpt from grant narrative)

Our facility was built sometime between 1935 and 1943, as a water sewage treatment facility, during Franklin Delano Roosevelt's Work Projects Administration. In the 50 years since the BBAC made it home to a regional art center, the building has been expanded twice and has an elevator and adequate though circuitous access for physically challenged individuals.

Currently, our accessibility route is segregated from the rest of the BBAC students and visitors, wending through the fiber arts studio. When not in use as a classroom, the studio is unlit and fairly nondescript except for the folded up looms (a recent exhibit opening attendee remarked **"It's like going through a dungeon."**); when a class is in session, going into the studio is often intrusive.

The proposed project provides interior ADA/barrier free compliance within the building between two main entrances at the main floor area. (See Att. 7 for diagram.) It eliminates the segregation by separating the pathway from the "classroom" with a glass wall and **converting one wall, running the length of the studio, into 250-square feet of proper exhibition space dedicated to showcasing art from ArtAccess and youth programs**. Both entryways to the new corridor will double in size; **the art will give all visitors reason to explore the space.**

Upon completion, the renovated space will continue to house our fiber arts programs with the glass wall protecting student work in the studio and limiting distractions when the access space/gallery is in use. **The renovation will also provide a glimpse into a working fiber arts studio as students and visitors pass through the new gallery space.** As with earlier renovations to the center, this project will continue to use energy efficient lighting and Michigan workers.

The studio/access renovation will permit the BBAC to provide better services to our ArtAccess students and reinforce our 57 year commitment to our vision of "art for all." **Increasing ease of access, especially for special needs populations, is fundamental to our core belief that art-making and art-looking must not be defined by geographic, physical, emotional or other limitations.** Consistent with the national trend of aging baby boomers as well as those over 90 who remain active, the BBAC has seen a substantial rise in our population with mobility issues as our ArtAccess programs have grown. This renovation directly addresses this issue.

BEIER HOWLETT
PROFESSIONAL CORPORATION

STEPHEN W. JONES
FRANK S. GALGAN
KENNETH J. SORENSEN
JEFFREY K. HAYNES
TIMOTHY J. CURRIER
JOSEPH F. YAMIN
MICHAEL C. GIBBONS
JEFFREY S. KRAGT
MICHAEL P. SALHANEY
VICTOR A. VEPRAUSKAS IV
KATHERINE B. ALBRECHT
MARY M. KUCHAREK
KEITH C. JABLONSKI
PETER GOJCAJ

200 EAST LONG LAKE ROAD, SUITE 110
BLOOMFIELD HILLS, MICHIGAN 48304-2328

TELEPHONE: (248) 645-9400
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www.beierhowlett.com

DEAN G. BEIER
(1917 – 2003)

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JOHN F. SHANTZ
PHYLLIS AIUTO ZIMMERMAN

SPECIAL COUNSEL
DONALD H. GILLIS

November 2, 2010

Mr. Thomas M. Markus
City Manager
City of Birmingham
151 Martin Street, P.O. Box 3001
Birmingham, MI 48012-3001

Re: Birmingham Bloomfield Art Center Lease Amendment

Dear Mr. Markus:

The Birmingham Bloomfield Art Center has requested a change to its Lease with the City. They requested changes in order to create a longer term to the Lease, which they believe will help in securing donors to support the Art Center. In addition, the City wishes to clarify the terms of the Lease with respect to insurance coverage and the payment of applicable deductibles.

Enclosed you will find a copy of the original Lease dated July 17, 1991 as well as the proposed Amendment executed by the officials of the Art Center. The Lease term is being extended to December 31, 2050 with additional years based on capital donations for the existing structure(s) on the premises at the rate of $100,000 per year for one year of additional term adjusted by the CPI annually.

The suggested action is to approve the Lease Amendment and authorize the Mayor and Clerk to execute the same on behalf of the City.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

BEIER HOWLETT, P.C.

Timothy J. Currier
Birmingham City Attorney

TJC/jc

LEASE AMENDMENT

THIS AMENDMENT made this _____ day of _____, 2010 by and between the **CITY OF BIRMINGHAM,** A Michigan Municipal Corporation of the State of Michigan, the Lessor, hereinafter designated as the Landlord, and the **BIRMINGHAM BLOOMFIELD ART CENTER, INC.,** a Michigan Non-Profit Corporation of Birmingham, Michigan, the Lessee, hereinafter designated as the Tenant.

The following terms and conditions of the initial Lease dated July 17, 1991 shall be and are hereby amended as follows:

II.

Term and Extension

A) Term. The term of this Lease shall end on December 31, 2050. Tenant shall pay Landlord as rent for said premises the sum of ONE DOLLAR ($1.00) per year, payable in advance on the first day of each lease year of the term to this Lease.

B) Term Extension. The Tenant may have the term set forth above extended for one year for each $100,000 of capital improvements made to the existing building or any permanent structures constructed in the future in accordance with the provision on alterations and additions set forth in the July 17, 1991 Lease. By way of example, should the Tenant perform $500,000 of capital improvements upon the existing building, the Lease extension shall be for five (5) years. The $100,000 minimum capital improvement shall be adjusted by the annual CPI for the Detroit/Ann Arbor area as of the first of the calendar year for each year of the Lease.

IV.

Obligations of Tenant With Reference to Building and Grounds

.....

(d) Tenant shall carry the following insurance coverages, with insurance carriers acceptable to the Landlord. All coverages shall be subject to approval of the Landlord, with initial limits as specified herein. Insurance limits may be adjusted from time to time by the mutual consent of the Landlord and Tenant, but in no instance shall the limits be less than those set forth below. Landlord shall be named as an additional insured on all policies and all policies shall bear an endorsement requiring that Landlord be given thirty days notice of cancellation or any material

change in the coverage. Tenant shall provide the Landlord with proof of insurance annually.

(1) The fire and extended coverage insurance on the building and all building improvements in an amount not less than $1,275,000 adjusted annually for the replacement cost of the buildings, with the proceeds payable to Landlord and Tenant as their interests may appear. In the event Tenant fails to secure the required insurance, the Landlord may secure such insurance and, in that event, Tenant agrees that it will, on demand, pay to Landlord 125% of the pro rata cost for the coverage on the demised premises under Landlord's policy. The Tenant agrees that it will, upon demand, pay to the Landlord any deductible required on the Landlord's insurance up to $10,000 per claim adjusted by the annual CPI for the Detroit/Ann Arbor area at the first of each calendar year. The Tenant also agrees to pay the $10,000 deductible on the claims made during the 2010 calendar year.

.....

IX.

Termination For Reasons Other Than Default of Tenant

At any time after December 31, 2050, or the end of any extended term of the Lease, Landlord may elect to terminate this Lease. Such a termination shall be accomplished by a written notice given to Tenant and shall be effective at the expiration of one (1) year following the giving of notice.

Tenant shall have the right to terminate this Lease at any time upon six months written notice to Landlord.

X.

Damage By Fire or Other Casualty

The following provision is conditioned upon the Tenant insuring the premises as required under Section IV(d)(1) of this Lease Amendment, or reimbursing the Landlord in accordance with Section IV(d)(1), if the Landlord elects to provide property insurance itself. If the demised building shall be damaged or destroyed to the extent of fifty percent (50%) or less of its value by fire or other casualty prior to December 31, 2050, Landlord will repair or restore the same to good tenantable condition with reasonable dispatch. If the demised building shall be damaged or destroyed to the extent of more than fifty percent (50%) of its value by fire or other casualty prior to December 31, 2050, or if it shall be damaged or

destroyed to any substantial extent on or after December 31, 2050, Landlord shall have the option to either repair and restore the same to good and tenantable condition with reasonable dispatch or to permit the Tenant to repair or restore the premises to good tenantable condition for the remainder of the Lease term (in which event the property insurance proceeds under Section IV(d)(1) shall be made available to the Tenant for such repairs, subject to the Tenant's obligation to pay the deductible as required under Section IV(d)(1). In the event that Tenant does not so elect to repair or restore the premises to good and tenantable condition with reasonable dispatch, the Lease shall be terminated. Following such fire or casualty, Landlord shall, with reasonable diligence, give Tenant a written notice setting forth the option elected by the Landlord.

All remaining terms and obligations of the Lease dated July 17, 1991 shall remain the same including the balance of all provisions regarding insurance and indemnification.

CITY OF BIRMINGHAM

By: _____
Rackeline J. Hoff, Mayor

By: _____
Laura Broski, Clerk

BIRMINGHAM BLOOMFIELD ART CENTER, INC.

By: Addie B. Langford
Addie Langford, President & CEO

Its: _____

APPROVAL (1.134 City Code)

_____
Thomas M. Markus, City Manager
~~As to the Substance~~

_____
Timothy J. Currier, City Attorney
As to Form

_____
B. Sharon Ostin, Director of Finance
As to Financial Obligation

LEASE

THIS LEASE made this 17th day of July, 1991, by and between the CITY OF BIRMINGHAM, a Municipal Corporation of the State of Michigan, the Lessor, hereinafter designated as the Landlord, and the BIRMINGHAM-BLOOMFIELD ART ASSOCIATION, INC., a Michigan Non-Profit Corporation of Birmingham, Michigan, the Lessee, hereinafter designated as the Tenant.

W I T N E S S E T H

I.

Leasing Agreement and Description

The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by the Tenant, does hereby Lease to the Tenant the following described premises situated in the City of Birmingham, Oakland County, Michigan, to-wit:

The deactivated sewage treatment plant of the City of Birmingham and the adjacent property, all as is more fully described in Exhibit A attached to this Lease.

II.

Term and Rental

The term of the Lease shall be a period of forty (40) years, commencing 7-17, 1991, and ending 7-17, 2031. Tenant shall pay to Landlord as rent for said premises the sum of ONE DOLLAR ($1.00) per year, payable in advance on the first day of each lease year of the term to this Lease.

III.

Alterations and Additions

Tenant shall have the right to do such further remodeling and make such further alterations, additions and improvements to the premises as it may see fit to enable Tenant to make full use of the premises for its activities, provided, however, that Tenant shall make no alterations or additions to the premises without obtaining

the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord may impose, as a condition to the aforesaid consent, such requirements as Landlord may deem necessary in its judgment, including without limitation the manner in which the work is done. All work shall be done in accordance with the applicable municipal codes.

Any and all permanent improvements made by Tenant, whether to the existing building or any permanent structure constructed in the future, shall be for the benefit of the Landlord and shall revert to the ownership of the Landlord at the conclusion of the term of this Lease. Should Tenant erect any movable structures on the leased premises, the same can be removed by Tenant at the termination of this Lease, provided, however, that Tenant return the premises to a condition acceptable to Landlord, at Tenant's sole expense.

IV.

Obligations of Tenant With Reference to Building and Grounds

Tenant shall, during the term hereof, be obligated at its own expense as follows:

(a) Tenant shall have full responsibility for the upkeep and maintenance of the premises, including but not limited to keeping the interior of the premises, the roof, outer walls, concrete floors, plumbing and electrical wiring of the premises, including any additions or new structures constructed by the Tenant, in as good repair as when taken, reasonable use and wear excepted. All alterations, additions and improvements shall be the property of Landlord and shall remain upon and be surrendered with the premises at the expiration or termination of this Lease, except as specifically provided in Article III above. See Article XXII as to environmental responsibilities of Tenant and Landlord.

(b) Tenant shall maintain in good condition the grounds, lawns and shrubbery of the demised premises and provide snow removal service for the parking lot and driveway.

(c) Tenant agrees to hold Landlord harmless and indemnify Landlord for any damage to automobiles parked on the premises caused by golf balls in use at the Lincoln Hills Golf Course.

(d) Tenant shall carry the following insurance coverages, with insurance carriers acceptable to the Landlord. All coverages shall be subject to approval of the Landlord, with initial limits as specified herein. Insurance limits may be adjusted from time to time by the mutual consent of

the Landlord and Tenant, but in no instance shall the limits be less than those set forth below. Landlord shall be named as an additional insured on all policies and all policies shall bear an endorsement requiring that Landlord be given thirty days notice of cancellation or any material change in the coverage. Tenant shall provide the Landlord with proof of insurance annually.

(1) Fire and extended coverage insurance on the building and all building improvements in the amount of $1,275,000.00, with the proceeds payable to Landlord and Tenant as their interests may appear. At Landlord's option, it may secure such insurance and, in that event, Tenant agrees that it will, on demand, pay to Landlord the pro rata cost for the coverage on the demised premises under Landlord's policy. The failure of Tenant to pay such sums to Landlord within thirty (30) days of demand therefor shall constitute a default under this Lease. In any event, Tenant shall have the option to obtain fire and extended coverage insurance on the building and all building improvements in the amount specified above with an insurance carrier acceptable to Landlord.

(2) Tenant's public general liability and property damage insurance on an "occurrence" basis in the amount of $1,000,000.00 per occurrence and/or aggregate combined single limit.

(3) Adequate fire and extended coverage insurance on the contents owned by Tenant.

(4) Adequate fine arts floater insurance to cover loan exhibits, art works and other property owned by others.

(5) Tenant shall procure and maintain during the life of this Lease workers' compensation insurance, including employers liability coverage, in accordance with all applicable statutes of the State of Michigan.

(e) To the fullest extent permitted by law, Tenant agrees to defend, pay on behalf of, indemnify, and hold the Landlord harmless from any and all claims, demands, suits or loss, including all costs associated therewith, and for any damages that may be asserted, claimed or recovered against or from the Landlord by reason of personal injury, including bodily injury, death and property damage, which arise out of or are in any way connected with Tenant's use of the demised premises.

(f) Tenant shall not perform any acts or carry on any practices that may injure the demised or adjoining premises or constitute a nuisance.

V.

Civic Obligations of Tenant

Tenant shall during the term of this Lease:

(a) In recognition of the facility furnished by Landlord, make membership in the Birmingham-Bloomfield Art Association, Inc. available to all residents and taxpayers of the City of Birmingham at 65% of the usual charge as established from time to time by Tenant's Board of Trustees.

(b) Provide, under the direction of the Board of Trustees of Tenant, an active program of exhibits, lectures and other allied activities in the field of the arts and make the same available to all residents and taxpayers of the City of Birmingham and such other persons as may be determined by the Board of Trustees of the Tenant during regular gallery or activity hours on a uniform and nondiscriminatory basis, provided, however, that differential rates may be established as between members and nonmembers of the Tenant organization regardless of their place of residence.

(c) Carry on an arts educational program consistent with Tenant's policies and practices and subject to reasonable rules and regulations as from time to time may be promulgated by Tenant, access to which shall be available to all residents and taxpayers of the City of Birmingham on the same and nondiscriminatory basis as that extended to others, provided, however, that differential rates may be established as between members and nonmembers of the Tenant organization regardless of their place of residence.

(d) Make classroom space available to other non-profit cultural organizations to the extent permitted by the needs of Tenant's educational requirements at moderate fees based upon space used, time allotted, and costs sustained.

VI.

Nonassignability

Tenant covenants not to assign or transfer this Lease or sublet said premises or any part thereof without the prior written consent of Landlord. This covenant shall not be deemed to be

breached by Tenant permitting the use of classroom space by others to the extent contemplated in Article V(d).

VII.

Bankruptcy and Insolvency

The Tenant agrees that if the estate created hereby shall be taken in execution or by other process of law, or if the Tenant shall be declared bankrupt or insolvent according to law, or any receiver be appointed for the business and property of the Tenant, or if any assignment shall be made of the Tenant's property for the benefit of creditors, then and in such event, Landlord may declare Tenant in default and, at its option, terminate this Lease.

VIII.

Use and Occupancy

It is understood and agreed that said premises may be used and occupied during the term of this Lease for an arts center, including without limitation, exhibits of the fine arts, lectures, motion pictures, dramatic presentations, musical events, educational classes, and other allied activities in any or all of the arts. Said premises may also be used for membership and Board meetings of Tenant and other related activities. Said premises shall not be used for any purpose in violation of any law, municipal ordinance, or regulation.

Should the use of the premises as described in this Article VIII be for any other purpose, the Landlord, at its option, may declare Tenant in default and terminate this Lease, subject to Tenant's right to cure any default as provided in Article XVI.

IX.

Termination For Reasons Other Than Default of Tenant

At any time after July 17, 2016, Landlord may elect to terminate this Lease. Such a termination shall be accomplished by a written notice given to Tenant and shall be effective at the expiration of one (1) year following the giving of notice.

Tenant shall have the right to terminate this Lease at any time upon six months written notice to Landlord.

X.

Damage by Fire or Other Casualty

If the demised building shall be damaged or destroyed to the extent of fifty percent (50%) or less of its value by fire or other casualty prior to July 17, 2016, Landlord will repair

and restore the same to good tenantable condition with reasonable dispatch. If the demised building shall be damaged or destroyed to the extent of more than fifty percent (50%) of its value by fire or other casualty prior to July 17, 2016, or if it shall be damaged or destroyed to any substantial extent on or after July 17, 2016, Landlord shall have the option either to repair and restore the same to good tenantable condition with reasonable dispatch, or to terminate this Lease. Following such fire or other casualty, Landlord shall with reasonable diligence give Tenant a written notice, setting forth the option elected by the Landlord.

XI.

Compliance with Laws

Tenant shall at its own expense promptly comply with all lawful laws, ordinances, regulations or orders of all municipal, county and state authorities affecting the premises hereby demised and the cleanliness, safety, occupation and use of same.

XII.

Rerenting

Tenant hereby agrees that for a period commencing ninety (90) days prior to the termination of the Lease, the Landlord may show the premises to prospective tenants and sixty (60) days prior to the termination of this Lease may display in and about said premises and in the windows thereof, the usual and ordinary "For Lease" signs.

XIII.

Holding Over

It is hereby agreed that in the event Tenant should hold over after the termination of this Lease, the tenancy thereafter shall be from month to month in the absence of a written agreement to the contrary.

XIV.

Utilities

Tenant will pay all charges made against said leased premises for gas, water, sewage disposal, heat, and electricity during the continuance of this Lease as the same shall become due.

XV.

Landlord's Access to Premises

Landlord shall have the right to enter upon the demised premises at all reasonable hours for the purpose of inspecting the same. If Landlord finds that any reasonable repairs required hereby to be made by Tenant under this Lease shall be necessary, Landlord may demand that Tenant make the same, and if Tenant refuses or neglects to make such repairs and complete the same with reasonable dispatch, Landlord may make or cause to be made such repairs and shall not be responsible to Tenant for any ordinary loss or damage that may accrue to Tenant's property. If Landlord makes or causes to be made such repairs, Tenant agrees that it will forthwith, on demand, pay to Landlord the actual cost thereof plus 5% for the costs of administration. Failure of Tenant to pay such sums to Landlord within thirty (30) days of demand therefor shall constitute a default under this Lease.

XVI.

Default and Re-entry

In case default shall be made in any of the covenants herein contained and if Tenant shall not have cured such default within ninety (90) days after receiving written notice from Landlord specifying the default or defaults complained of, then Landlord, its attorney, representatives, or assigns, may re-enter and repossess the premises and expel Tenant and those claiming through or under Tenant.

XVII.

Quiet Enjoyment

Landlord covenants that Tenant on payment of the aforesaid rental and performance of all of the covenants herein contained shall and may peacefully and quietly have, hold, occupy, and enjoy the demised premises for the term specified in this Lease.

XVIII.

Expenses on Re-entry

In the event that Landlord shall during the period covered by this Lease obtain possession of said premises by reentry, summary proceedings or otherwise, Tenant hereby agrees to pay Landlord all expenses incurred by Landlord in obtaining possession of the premises, including attorney fees, as well as all expenses, commissions and costs which may be paid for the reletting of the same.

XIX.

Remedies Not Exclusive

It is agreed that each and every one of the rights, remedies, and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits or any other rights, remedies, and benefits allowed by law.

XX.

Waivers

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.

XXI.

Notices

Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to Tenant is in writing addressed to Tenant at its last known post office address or at the demised premises and deposited in the mail with postage prepaid, and if such notice to Landlord is in writing addressed to the Birmingham City Hall, Birmingham, Michigan, and deposited in the mail with postage prepaid.

XXII.

Environmental Responsibilities

It is acknowledged that there are presently unused tanks located on the property leased by Tenant. If such tanks or other conditions existing at the time of the execution of this Lease, whether presently known or unknown, are held to be an environmental hazard requiring clean-up by any government agency in the future, the Landlord shall be responsible for all clean-up costs relating to such conditions. Tenant shall be responsible for any environmentally dangerous condition created after execution of this Lease, resulting from Tenant's use and occupancy of the premises.

XXIII.

Resolution of Disputes

Any dispute arising under this Lease shall be settled either by commencement of a suit in Oakland County Circuit Court or by compulsory arbitration, at the sole election of the Landlord. If the Tenant feels aggrieved, it shall advise the Landlord of any

dispute it has arising out of this Lease and shall demand that the Landlord elect that the dispute is to be resolved by submitting it to compulsory arbitration or by the commencement of a suit in the Oakland County Circuit Court or any other court having jurisdiction. The Landlord shall make its election within thirty (30) days from the receipt of such notice. If the Landlord elects to have the dispute resolved by compulsory arbitration, it shall be settled pursuant to Chapter Fifty of the Revised Judicature Act for the State of Michigan, with each of the parties appointing one arbitrator and the two thus appointed, appointing a third. The Oakland County Circuit Court or any court having jurisdiction may render a judgment upon the award of the arbitrators. In the event that the Landlord elects not to have the matter in dispute arbitrated or fails to make such an election, any dispute between the parties may be resolved by filing a suit in the Oakland County Circuit Court. In the event that the Landlord feels aggrieved, it shall elect the method of resolving its dispute by either demanding that the matter be arbitrated or by filing a suit in the Oakland County Circuit Court.

CITY OF BIRMINGHAM

By: _____
HENRY C. FORSTER, Mayor

By: _____
JUDITH A. BENN, Clerk

BIRMINGHAM-BLOOMFIELD ART ASSOCIATION, INC.

BY: _____
Its _____

APPROVAL (1.135 City Code)

_____
City Manager as to Substance

_____
City Attorney as to Form

_____
Director of Finance as to Financial Obligation

3715T