

November 17, 2020 Approved Minutes

**Official Proceedings
Pontiac City Council
200th Session of the Tenth Council**

Call to order

A Study Session of the City Council of Pontiac, Michigan was called to order electronically, on Tuesday November 17, 2020 at 6:00 p.m. by Council President Kermit Williams.

Roll Call

Members Present: Carter, Pietila, Shramski, Taylor-Burks, Waterman and Williams.

Members Absent: Miller.

Mayor Waterman was present.

Clerk announced a quorum.

Excuse Councilmembers

20-517 **Motion to excuse Councilperson Miller for personal reasons.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams and Carter

No: None

Motion Carried

Councilperson Miller arrived at 6:07 p.m.

Amendments to and Approval of the Agenda

20-518 **Motion to defer item 6** (Resolution to authorize the Interim City Clerk to publish a notice for the proposed budget amendment for the fiscal year 2020/2021 to reallocate \$125,700.00 of the Council adopted budgeted expenditures from the General Fund's Park's Ground Maintenance Department) **for one week.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams and Carter

No: None

Motion Carried

20-519 **Motion to move Public Comment and item 7** (Resolution to approve the Michigan Indigent Defense Commission (MIDC) FY 2021 Grant Contract with an authorized total budget of \$660,703.69 above item 2-Closed Session. Moved by Councilperson Pietila and second by Councilperson Taylor-Burks

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter and Pietila

No: None

Motion Carried

20-520 **Motion to approve the amended agenda.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

Motion Carried

Approval of the Minutes

November 17, 2020 Approved Minutes

20-521 **Motion to approve the meeting minutes for November 10, 2020.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

Ayes: Waterman, Williams, Carter, Miller, Pietila, Shramski, and Taylor-Burks

No: None

Motion Carried.

Oakland County Treasurer Andy Meisner spoke prior to the City Council going into closed session

Suspend the Rules

20-522 **Motion to suspend the rules to vote.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Williams, Carter, Miller, Pietila, Shramski, Taylor-Burks and Waterman

No: None

Motion Carried

Resolution

50th District Court

20-523 **Resolution to approve the Michigan Indigent Defense Commission (MIDC) FY 2021 Grant Contract with an authorized total budget of \$660,703.69.** Moved by Councilperson Pietila and second by Councilperson Miller.

WHEREAS, The Michigan Indigent Defense Commission (MIDC) has the City of Pontiac grant funding in the amount of \$642,698.36 for the period of October 1, 2020 through September 30, 2021.

WHEREAS, The total program budget is \$660,703.69, which includes the required local share contribution by the City of Pontiac in the amount of \$18,005.34.

WHEREAS, The FY2020 grant award is \$1,052,015.00, more than the previous year's award.

WHEREAS, The award provides funding to the 50th District Court for the purpose of continuing to bring indigent defense systems into compliance with the first four minimum indigent defense standards, MCL 780.993(6); and

WHEREAS, The Michigan Indigent Defense Commission Act (MIDC Act), MCL 780.981, et al., requires local funding units to take over the delivery of indigent defense systems, MCL 780.983(g) and MCL 780.993(10) as specified in standards 1 – 4.

WHEREAS, The City of Pontiac is the local funding unit for the 50th District Court.

WHEREAS, The MIDC Act requires the City of Pontiac to create an annual compliance plan and cost analysis required to deliver indigent defense services in compliance with the approved MIDC standards, MCL 780.993(3).

WHEREAS, The MIDC Act requires the MIDC to appropriate funds and provide grant monies to local funding units for the costs in excess of the local share to continue to provide indigent defense services that are in compliance with the minimum standards established by the MIDC, MCL 780.993(6).

WHEREAS, The grant award funds the following positions within 50th District Court: one (1) MIDC Executive position, one (1) Contract MIDC Attorney Coordinator position, and two (2) part time MIDC Court Officers.

WHEREAS, The grant agreement has completed the grant review process in accordance with the Pontiac City Council Procedures.

NOW, THEREFORE, BE IT RESOLVED, The City Council approves the MIDC FY 2021 Grant Contract with an authorized total budget of \$660,703.69.

Ayes: Carter, Miller, Pietila, Shramski, Taylor-Burks, Waterman, and Williams

No: None

Resolution Passed

Public Comment

Five (5) individuals submitted public comments read by the City Clerk.

Closed Session

20-524 **Motion to go to a Closed Session.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Ayes: Miller, Pietila, Shramski, Taylor-Burks, Waterman, and Williams

No: Carter

Motion Carried

20-525 **Motion to come out of closed session.** Moved by Councilperson Pietila and second by Councilperson Waterman

Ayes: Pietila, Shramski, Waterman, Williams, and Miller

No: None

Motion Carried

Suspend the Rules

20-526 **Motion to suspend the rules to vote.** Moved by Councilperson Pietila and second by Councilperson Shramski.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter, and Pietila

No: Miller

Motion Carried

20-527 **Resolution to approve global settlement agreement as presented by Special Counsel Matt Gibb and authorize the Mayor to execute all documents necessary to do so including the sale agreement for Purdue School located 25 S Sanford.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

Ayes: Taylor-Burks, Waterman, Williams, Pietila and Shramski

No: Pro Tem Carter and Miller

Resolution Passed

Note: The Global Settlement Agreement is attached as Exhibit A and Sale Agreement for Purdue School located at 25 S Sanford is attached as Exhibit B.

20-528 **Motion to schedule a special meeting on Saturday, November 21 2020 at 10 a.m. to discuss additional information on Dearborn Capital and with bond counsel on alternative mechanisms for financing on debt placement and potentially take action on these items.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Waterman, Pietila, Shramski, and Taylor-Burks

No: Williams, Carter, and Miller

Motion Carried

Adjournment

November 17, 2020 Approved Minutes

President Kermit Williams adjourned the meeting at 7:56 p.m.

GARLAND S DOYLE
INTERIM CITY CLERK

GLOBAL SETTLEMENT AGREEMENT

THIS GLOBAL SETTLEMENT AGREEMENT (this "Agreement"), is made and entered into as of the last date of City's and Owners' execution of this Agreement (the "Effective Date"), by and between the **CITY OF PONTIAC** (the "City"), and **NORTH BAY DRYWALL, INC. PROFIT SHARING PLAN & TRUST**, a California Pension and Profit Sharing Trust ("North Bay"), **OTTAWA TOWER II, L.L.C.**, a Michigan limited liability company ("Ottawa") and **PONTIAC INVESTMENT PROPERTIES, LLC**, a Michigan limited liability company ("PIP") (each of North Bay, Ottawa and PIP are an "Owner" and collectively "Owners").

RECITALS:

A. North Bay is the owner of that certain real property consisting of one (1) eight-story office building of approximately 225,303 square feet in the aggregate, approximately 147,303 of which is leased by the State of Michigan under four separate leases (the "State Lease"), and situated on Parcel ID 14-32-226-020, located at 51111 Woodward Avenue, Pontiac, Oakland County, Michigan 48342, commonly known and herein referred to as "**Ottawa Tower I**", and as more particularly described on **Exhibit A-1** attached hereto. North Bay is also the owner of the so-called "**Grassy Lot**", also described on Exhibit A-1.

B. Ottawa is the owner of that certain real property consisting of one (1) eight-story office building of approximately 207,084 square feet in the aggregate situated on Parcel ID 14-32-227-002, located at 31 East Judson Street, Pontiac, Oakland County, Michigan 48342, commonly known and herein referred to as "**Ottawa Tower II**", as more particularly described on **Exhibit A-2** attached hereto.

C. North Bay and Ottawa were plaintiffs and City was the defendant in a lawsuit in Oakland County Circuit Court (Case #12-130331-CH) (the "Litigation"). The Litigation was the subject of a Settlement Agreement dated November 1, 2018 (the "Settlement Agreement"), executed by the parties to the Litigation.

D. North Bay and Ottawa claim that the City is in breach of the Settlement Agreement, and the parties are scheduled to appear in mediation to adjudicate such claim of breach.

E. PIP is affiliated with North Bay and Ottawa, in that each of the Owners is under common management or control.

F. PIP is the owner of a former school property located at 25 S. Sanford Street, Pontiac, MI, Parcel ID 14-28-455-001, commonly known and herein referred to as the "**Perdue School**", and as more particularly described on **Exhibit A-3** attached hereto.

G. To settle the current dispute, the City desires to resolve all claims and disputes between the Owner and City in a global settlement agreement a portion of which includes the City's intent to acquire each of Ottawa Tower I and Ottawa Tower II, the Grassy Lot, as well as the Perdue School (collectively, the "Real Estate"), in consideration of the Settlement Amount to be paid herein.

H. Owners desire to resolve all claims and disputes between Owner and City in a global settlement agreement a portion of which includes Owner's intent to convey the Real Estate to City and to collect the Settlement Amount in one integrated transaction and global settlement of Owners' claims that the City is in breach of the Settlement Agreement, pursuant to the following terms.

CONSIDERATION AND AGREEMENT:

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements herein contained and of the benefits to be derived herefrom, receipt whereof is hereby severally acknowledged, Owners and City hereby agree as follows:

1. Offer. City hereby offers and agrees to acquire the Real Estate together with all improvements thereon and appurtenance thereto. Included in this transaction are all, if any, leasehold interests, fixtures, equipment, spare parts, and other items of personalty used in connection therewith (but specifically excluding landscaping equipment) and all tenements, hereditaments, privileges and appurtenances thereto belonging or in any way appertaining thereto including all right, title and interest of Owners in any street, road or avenue, open or proposed, in front of or adjoining the Real Estate, or any part thereof, all water, air, riparian and mineral rights, and the use of appurtenant easements, whether or not of record, strips and rights of way abutting, adjacent to, contiguous with or adjoining the Real Estate, and all assignable licenses, franchises, rights and governmental or other permits, authorizations, consents and approvals, including those necessary to own and/or operate the Real Estate, to the extent that the same are legally assignable, all rights of Owners under any express or implied guaranties, warranties, indemnifications and other rights, if any, and which Owners may have against suppliers, laborers, materialmen, contractors or subcontractors arising out of or in connection with the installation, construction and maintenance of the improvements, fixtures and personal property on or about the Real Estate, all future land division rights, if any, and all of Owners' respective rights under all assignable service contracts which City may desire to assume, subject only to easements and restrictions of record and the rights of the tenant under the State Lease. All of the foregoing is sometimes hereinafter referred to as the "Property" or the "Subject Premises."

2. Acceptance. Owner hereby accepts the said Offer of the City. Such Offer and Acceptance are subject to and in accordance with the terms and conditions hereinafter set forth.

3. Settlement Amount. The Settlement Amount to be paid by the City to Owners is, in the aggregate, Nineteen Million Two Hundred Thousand Dollars (\$19,200,000.00). The Settlement Amount shall be paid as follows:

A. Deposit. The City has deposited with ATA National Title Group (Seaver Title Agency), c/o John Cook, 42651 Woodward Avenue, Bloomfield Hills, Michigan 48304 ("Escrow Agent" or "Title Company") in immediately available US funds, Seven Million Dollars (US \$7,000,000.00) (the "Deposit"), which amount is nonrefundable under all circumstances other than Owners' unjustified refusal to close this transaction; provided, however, the disposition of the Deposit in the event this transaction

does not close shall be subject to the terms set forth in Section 14 below. The term "Deposit" shall include any interest earned thereon. The parties shall enter into the Escrow Agent's usual form of Earnest Money Deposit Escrow Agreement, which the parties acknowledge will provide that: (i) Escrow Agent shall not be liable for any loss of the Deposit unless caused by a violation of law, or on account of Escrow Agent's gross negligence or willful malfeasance with respect to the escrow established herein; (ii) If a dispute arises between the parties as to disposition of the Deposit, the Escrow Agent shall: (a) hold the Deposit until the Escrow Agent has received releases signed by all parties to the transaction authorizing disposition of the Deposit, or (b) hold the Deposit until such time as one of the parties to the transaction files suit and the court in which such suit is filed orders disbursement of the Deposit, or (c) deliver such Deposit into a court of competent jurisdiction by filing an Interpleader Action. (iii) In the event of any litigation between Owners and City concerning the Deposit, Escrow Agent's sole responsibility may be satisfied, at Escrow Agent's option, by delivering the Deposit into the court in which such litigation is pending, and City and Owner agree that upon deliverance of such Deposit into court, neither City nor Owner shall have any further right, claim, demand, or action against the Escrow Agent. (iv) In the event any dispute arises between Owner and City resulting in the Escrow Agent being made a party to any litigation, Owner and City, jointly and severally, shall indemnify the Escrow Agent for all costs, reasonable attorneys' fees and legal expenses incurred by the Escrow Agent as a result thereof; provided that such litigation does not result in a judgment against the Escrow Agent for acting improperly under this Agreement.

B. Purchase Money Financing. Owner shall finance the balance of the Settlement Amount, Five Million Six Hundred Thousand Dollars (\$5,600,000.00), for seven (7) years, at Five and nine-tenths Percent (5.9%) interest (Nine Percent (9%) interest during any period of default), with City making monthly installment payments of principal and interest in the amount of \$81,539.71 each, based upon a seven (7) year amortization schedule (See Loan Amortization Schedule Attached hereto as Exhibit B-1). The first monthly installment payment will be due on February 4, 2022, and subsequent installment payments will be due on the fourth day of each month thereafter until the principal balance and outstanding interest is reduced to zero. All payments shall be made by direct ACH deposit to an account or accounts designated by Owners. Late payments will be subject to a five percent (5%) late payment charge. Prepayment of the promissory note, in whole or in part, will be permitted without fee or penalty. The aforesaid debt and the terms of repayment shall be evidenced by City's promissory note ("Promissory Note") in the form attached hereto as Exhibit B-2 and timely repayment of the Promissory Note shall be secured by an irrevocable, standby, sight-draft letter of credit, to be issued by an FDIC insured bank in a form mutually acceptable to Owner and City containing the terms required herein, in the face amount of Five Million Six Hundred Thousand Dollars (\$5,600,000.00; the "Letter of Credit Amount"), naming Owners as beneficiaries, to be issued by PNC Bank, National Association, permitting multiple and partial draws thereon, and otherwise in form reasonably acceptable to Owner and City. City shall cause the Letter of Credit to be continuously maintained in effect (whether through replacement, renewal or extension) until the Promissory Note is repaid in full. If the Letter of Credit held by Owner expires earlier than when the Promissory Note is repaid in full (whether by reason of a stated expiration date or a notice of termination or non-renewal given by the issuing bank), City shall deliver a new Letter of Credit or

certificate of renewal or extension (a "Renewal or Replacement LC") to Owner not later than thirty (30) days prior to the expiration date of the Letter of Credit then held by Owner; provided, however, that the Letter of Credit Amount may be reduced to the then outstanding principal balance of the Promissory Note. In addition, if at any time before the Promissory Note is repaid in full, Owner determines, in the exercise of reasonable business judgment, that the financial condition of the issuer of the then current Letter of Credit is such that Owner's ability to draw upon the Letter of Credit is, or in the future may become, impaired, restricted, refused or otherwise affected, then the City shall, within ten (10) Business Days of Owner's written demand to the City, obtain a Renewal or Replacement LC in substitution of the then current Letter of Credit from an issuing bank reasonably acceptable to Owner in Owner's reasonable discretion. Any Renewal or Replacement LC shall comply with all of the provisions of this Section, shall be irrevocable, transferable and shall remain in effect (or be automatically renewable) until the Promissory Note is repaid in full, upon the same terms as the expiring Letter of Credit or such other terms as may be acceptable to Owner in its sole discretion.

C. Balance. Subject to the City's election described in Subsection 3.E. below, City shall deliver \$6,600,000 to Owners at the Final Closing (as defined in Section 8 below), and instruct the Title Company to disburse the remaining Deposit (i.e., the amount remaining in escrow after the Interim Closing on Perdue School) (plus all interest accrued thereon) to Owners at the Final Closing, for a total cash payment of immediately available funds at closing of \$13,000,000.

D. Interim Closing On Perdue School. Notwithstanding anything herein to the contrary, the parties will close on taking title to the Perdue School not later than November 16, 2020 (the "Interim Closing"). At the Interim Closing on the Perdue School, the City shall instruct Escrow Agent to release so much of the Deposit as is necessary to cover the allocated portion of the Settlement Amount attributable to the Perdue School (i.e., \$600,000.00, as per Section 10.F below), provided all proration and adjustment terms provided in this Agreement shall apply, to the extent applicable, to the Interim Closing on the Perdue School, and the remaining portion of the Deposit in escrow after the Interim Closing on the Perdue School shall be applied as otherwise provided in this Agreement.

E. Election to Forego Purchase Money Financing. Notwithstanding anything to the contrary contained in Subsection 3.B. above, the City, at the Final Closing, may elect to forego the purchase money financing described therein and pay the Settlement Amount (with a credit for funds advanced at the Interim Closing) in immediately available funds at Closing.

4. Evidence of Title. As evidence of Title to the Subject Premises, Owners have delivered to City a Commitment or Commitments for an A.L.T.A. fee owner's policy of title insurance, in the amount of \$_____ (TBD) (the "Commitment"), which Commitment was issued by the Title Company. City may, at the time of the Final Closing, order a Title Insurance Policy from the Title Company pursuant to said Commitment. The cost of said Title Insurance Policy, shall be paid for by City and the cost of any title endorsements to be issued in connection with the Owner's Policy, shall be paid for by City.

5. Possession. Exclusive possession of the Subject Premises shall be delivered to City at the time of the Final Closing, subject only to the rights of the tenant under the State Lease with respect to Ottawa Tower I, and subject to the City's receipt on or before the Final Closing of an estoppel certificate executed by the tenant under the State Lease in the form of Exhibit G attached hereto, or other form reasonably acceptable to City.

6. Representations, Warranties and Covenants.

A. The party executing this Agreement on behalf of each Owner has the full power and authority to enter into and perform this Agreement on behalf of such Owner and the person executing this Agreement has been duly authorized to do so on behalf of Owner.

B. Owners represent and warrant that there are no contracts or other agreements of any kind or nature whatsoever, written or oral, express or implied, with respect to the Subject Premises, other than those disclosed in the Schedule of Service Contracts attached hereto as Exhibit D.

C. The rent roll attached hereto as Exhibit F is true, correct and genuine in all material respects. Except as disclosed in the rent roll, there are no rental concessions or side agreements, oral or written, with any tenants affecting the amount of rent to be paid under or the length of the term of any such lease and no tenants have paid rental more than thirty (30) days in advance.

D. Owner is not obligated to pay any deferred leasing commissions or any commissions for renewals of existing leases by tenants now in possession or for any tenants under any new leases executed from or after the Effective Date to the Final Closing. There has been no "rent strike" or other tenant organized protest of rents or conditions in the Subject Premises.

E. Owner shall provide clean, legible copies of any existing lease(s) upon execution of this Agreement and shall not alter or amend any tenant lease, allow any assignment or subletting thereof, or enter into any new leases or rental arrangements of any kind, except in the ordinary course of business and consistent with past practices, without City's prior written consent, in each such instance.

F. No Owner is a "foreign person" as defined in §1445(f)(3) of the Internal Revenue Code; each Owner shall so certify at the Interim Closing and/or the Final Closing, as the case may be.

G. City acknowledges and agrees that all environmental assessments and other third party reports, materials, data and other information prepared by others for any Owner or for any other person, and delivered by any Owner to City or otherwise made available to City for inspection in connection with this transaction, are provided to City as a courtesy and convenience only and Owner expressly disclaims all representations and warranties of every kind concerning such third party reports. Any reliance on or use of such materials, data or information by City or any other person shall

be at the sole risk of City or such other person, and further, City acknowledges and agrees that such reliance may be expressly prohibited by the preparer thereof.

H. City represents and warrants to Owners, that except as may be expressly provided in this Agreement or in the closing documents to be executed and/or delivered at the Interim Closing and/or the Final Closing, as the case may be, Owners make and have made no representations or warranties whatsoever, and expressly deny and disclaim all representations and warranties whatsoever with regard to the condition of the Property, and City acknowledges and agrees that the City is purchasing the Subject Premises "AS IS" "WHERE IS" and "WITH ALL FAULTS" and without representation or warranty of any kind or nature whatsoever other than as may be specifically set forth in this Agreement or in the documents executed at the Interim Closing and/or the Final Closing, as the case may be. City expressly waives all right to commence, join, prosecute or otherwise participate as a plaintiff against Owner or any principal, agent or employee of Owner, in any action or proceeding under authority of any environmental statute, law or regulation, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601, et. seq.), the Resource Conservation and Recovery Act, as amended (49 U.S.C. §6901, et. seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §2601, et. seq.), the Michigan Hazardous Waste Management Act, as amended (MCLA § 299.501 et. seq.), Part 201 of the Michigan Natural Resources and Environmental Protection Act, as amended (MCLA 324.20101, et. seq.), and every other federal, state, and local law, statute, regulation, rule decisional precedent, order or otherwise, the actual, effective or intended purpose or unintended effect of which is the protection or remediation of the environment; provided, however, nothing herein shall be deemed a waiver of City's rights to commence, join, prosecute or otherwise participate in any such action against Owner or any principal, agent or employee of Owner to the extent arising out of any actions or omissions of Owner. CITY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS TO BE EXECUTED AND/OR DELIVERED AT THE INTERIM CLOSING AND/OR THE FINAL CLOSING, AS THE CASE MAY BE, NEITHER OWNER NOR ITS BROKERS, AGENTS, EMPLOYEES, CONTRACTORS OR REPRESENTATIVES HAVE MADE ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION THE WATER, SOIL AND GEOLOGY, (II) THE INCOME WHICH MAY BE DERIVED FROM THE PROPERTY, (III) THE COMPLIANCE OF OR BY THE PROPERTY OF ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (IV) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, OR (V) ANY OTHER MATTER WITH RESPECT TO OR AFFECTING THE PROPERTY. If at any time City determines that any of the representations and warranties set forth above are incorrect or untrue or in the event that that Owner fails to perform any of the covenants contained in this Agreement, then, in such event, and notwithstanding anything contained herein to the contrary, City shall have the right to

terminate this Agreement upon written notice to Owner in which event the entire Deposit shall be returned to City in addition to any other rights and remedies available to City as provided in this Agreement.

7. No conditions or contingencies. The obligation of City to close on the transaction contemplated herein shall be subject to no conditions or contingencies, save for Owners performing their obligations under this Agreement.

8. Closing. Except as permitted in Section 3.D above with respect to the Perdue School, and subject to the Purchaser's right to extend the day of Final Closing, as set forth in Section 14 below, City and Owners shall close this transaction ("Final Closing") on January 4, 2021. The Final Closing shall take place via escrow or at the office of the Title Company or such other place as the parties may mutually agree. At the Final Closing, the following documents, in such form and content as is reasonably satisfactory to the parties, shall be executed by Owner and delivered to City:

A. A Warranty Deed (statutory form) from North Bay to City, for Ottawa Tower I.

B. A Warranty Deed (statutory form) from Ottawa to City, for Ottawa Tower II.

C. A Warranty Deed (statutory form) from PIP to City, for the Perdue School.

D. A Real Estate Transfer Tax Valuation Affidavit with respect to each deed hereinabove required to transfer title, so that the consideration paid for this transaction is not made a matter of public record.

E. An Assignment of the State Lease from North Bay to City, and a separate Assignment of any new leases, wherein City shall assume all obligations of Owner thereunder from and after Closing. Owner shall provide the City with legible copies of any new leases within 3 business days of its receipt of fully executed copies of same.

F. An Assignment of Service Contracts from North Bay and Ottawa to City, wherein City shall assume all obligations of Owners thereunder from and after Closing.

G. A Settlement Statement or Settlement Statements detailing the items of proration and adjustment of the Settlement Amount as herein provided.

H. A Non-Foreign Person Affidavit from each of the Owners.

I. If the City does not elect to pay the entire Settlement Amount in immediately available funds at Closing in accordance with Subsection 3.E. above, the Promissory Note in the form attached hereto as **Exhibit B-2**, and delivery to Seller of the Letter of Credit described in Section 3.B above as security therefor.

J. Omitted.

K. A Removal of All City Conditions executed by the City in the form attached hereto as Exhibit E.

L. At the City's request, a Property Transition Services Agreement as described in Section 9 below.

M. Such other documents as the Title Company or Escrow Agent may reasonably request.

9. Transition Services. To ease property management transition, the City may retain Michael Stephens or an entity controlled by him to continue property management services for up to six (6) months after closing, for \$5,000.00 per week, plus actual expenses.

10. Closing Adjustments. The following shall be apportioned against sums due Owner at the Interim Closing and/or the Final Closing, as the case may be:

A. All real and personal property taxes and current installments of any assessments (general or special) which have become a lien on the Subject Premises, all charges for improvements or services already made to or for the benefit of the Subject Premises, and all current installments of any assessments (general or special) arising out of or in connection with any assessment district created or confirmed prior to the date of the applicable closing shall be paid by Owners at or before such closing. Current real property and personal property taxes and current installments of any assessments shall be prorated as though paid in advance on the due date basis of the taxing authority on the basis of a three hundred sixty-five (365) day year; Owners being responsible for taxes up to the day of the applicable closing and City being responsible for taxes thereafter.

B. Owners shall be responsible for payment of all operating expenses related to the Subject Premises which shall be paid in full prior to the applicable closing and Owners shall provide City with reasonable evidence that all such operating expenses including all outstanding bills of utility companies and service providers have been paid in full through the date of the applicable closing.

C. The City shall pay all state, county, city and other real estate conveyance, stamp and similar taxes and any other transfer taxes due upon the applicable closing in accordance with the real estate values ascribed in Subsection 10.F. below, which are required to be paid upon recording of the Warranty Deeds.

D. City shall pay any escrow fees/closing fees charged by the Escrow Agent, and City shall pay to record the Warranty Deeds.

E. Rent under the State Lease and for any new lease entered into by Owners after the Effective Date, for the month in which Closing occurs shall be prorated, with City being credited for rent on the day of the applicable closing.

F. City and Owner shall allocate the Settlement Amount at Closing as follows: (i) to the Perdue School: \$600,000.00; (ii) to Ottawa Tower 1, \$9,300,000 for the property and \$5,452,000 additional consideration for waiver by North Bay of existing legal claims against the City for alleged breach of the Settlement Agreement by the City; (iii) to Ottawa Tower II: \$9,299,000 for the property and \$1,000 additional consideration for waiver by Ottawa of existing legal claims against the City for alleged breach of the Settlement Agreement by the City.

11. Effect on Settlement Agreement. The Settlement Agreement shall, in all respects, continue in full force and effect until the Settlement Amount, and all interest and any other charges due on account of the Promissory Note and Mortgage, are paid in full ("Full Payment"); provided, however, that the City's remaining monetary obligations set forth at Section 3.1.2 under the Settlement Agreement shall be deemed merged into this Agreement and no longer due and payable separately. Upon Full Payment, the terms of the Settlement Agreement shall be deemed to be complete.

12. Casualty. Until the day of the applicable closing and actual exchange of legal title for the consideration to be paid hereunder, all risk of loss with respect to the Subject Premises shall be borne by the applicable Owner. In the event of destruction or material damage (defined below) to the Subject Premises prior to the date of the applicable closing, City shall, at its option, have the right to (i) take the proceeds of the insurance, requiring Owner to pay the deductible amounts payable with respect to Owner's casualty insurance and proceed and go forward with the transaction, or (ii) terminate this Agreement and provided that City is not in default of this Agreement, City shall thereupon receive a refund of the Deposit and no party shall have any further rights or obligations hereunder except for representations, warranties and indemnities stated herein to survive this Agreement. For purposes of this Section, material damage shall be deemed to mean damage not caused by the intentional act or negligence of City and that, in the estimation of Owner's architect or independent insurance adjuster, would cost in excess of \$1,000,000 to repair.

13. Condemnation. In the event that notice of any action, suit or proceeding shall be given prior to the Closing Date for the purpose of condemning any part of the Subject Premises, the parties shall, nevertheless proceed to closing, and any proceeds of such condemnation shall be assigned and belong to City.

14. Deposit As Liquidated Damages/Extension of Closing. The Deposit shall be held by Escrow Agent and applied against cash due at Closing when the transaction is consummated. The City has disclosed to the Owners and the Owners acknowledge that the City intends to enter into a simultaneous transaction whereby it intends to sell a portion of the Subject Premises at or immediately after the Final Closing to Dearborn Capital Partners, LLC, pursuant to the terms of a separate purchase agreement dated November __, 2020 between the City as seller and Dearborn Capital Partners, LLC as purchaser. The parties acknowledge that City's ability to Close this transaction by January 4, 2021 is dependent upon:

(a) the City's receipt, on or before the Final Closing, of an estoppel certificate executed by the tenant under the State Lease in the form of Exhibit G attached hereto, or other form reasonably acceptable to City;

(b) performance by Dearborn Capital Partners, LLC of its obligations under the Dearborn Capital Purchase Agreement; and

(c) that all necessary diligence on behalf of City and Dearborn Capital Partners, LLC is not frustrated by the effect or imposition of any federal or state governmental mandate, order or rule arising out of the ongoing COVID 19 pandemic.

Therefore, if any of the above contingencies (a), (b) or (c) are not reasonably satisfied at the time of Closing (i.e., by January 4, 2021), City may exercise, by giving written notice of exercise to Owners, an extension of the date of Closing. The City may extend the date of Closing on two consecutive occasions, each for a period of fifteen (15) days, provided the City must give written notice of exercise of right to extend the date of Closing to Owner, prior to the date of Closing, setting forth in reasonable detail the basis of the failed contingency and the status of its satisfaction and pay directly to North Bay and Ottawa the sum of \$25,000 as an extension fee; for avoidance of doubt, such extension fees will be non-refundable and not applicable to the Settlement Amount.

In the event City fails to consummate the purchase of the Subject Premises on the Final Closing Date, as may be extended by the preceding paragraph, regardless of whether or not contingencies 14(a), (b) and (c) are satisfied, Owner shall be immediately entitled to the amounts remaining in the Deposit escrow as liquidated damages as its sole and exclusive remedy for City's default under this Agreement; provided, however, the balance of the Deposit so retained shall act as a credit against any order, judgment, or other subsequent award in favor of Owner and arising out of City's obligations under the November 2018 Settlement Agreement, which shall continue and be unaffected. In the event that Owners fail to consummate the purchase of the Subject Premises on the Closing Date in default of this Agreement, City shall be entitled to terminate this Agreement, in which event the Deposit shall be refunded to City or City may maintain an action for specific performance against Owners, both as City's sole and exclusive remedies. In the event that any action is brought to enforce the terms and conditions of this Agreement, the non-prevailing party in such action shall be responsible for payment of all reasonable attorneys' fees, court costs and legal expenses incurred by the prevailing party.

15. Commissions. Owner has disclosed and confirms that Robert Pliska and/or SVN Property Investment Advisors, LLC are the only brokers known to Owner that may assert a claim against the real property transaction contemplated in this agreement ("Seller's Brokers"). Seller shall pay Seller's Brokers a fee of up to \$150,000.00 upon Final Closing and provide to the City a Release of Claims to any further commissions in connections with this transaction, executed by Seller's Brokers.

16. Governing Law. This Agreement shall be governed by Michigan law.

17. Binding Effect. This Agreement shall bind the parties hereto, their respective successors and assigns. City may not assign its interest hereunder to a third party unless City elects to pay the entire Settlement Amount in immediately available funds at closing.

18. Notices. Any notices, demands or requests required or permitted to be given hereunder must be in writing and shall be deemed to be given (i) one (1) business day after delivery to FedEx or similar overnight service for next business day delivery, or (ii) three (3) business days after deposit in the U.S. mail postage prepaid, certified mail, return receipt requested or (iii) when sent by facsimile or electronic (e-mail) transmission during normal business hours (i.e., 8:00 a.m. to 6:00 p.m., Monday through Friday), if such transmission is immediately followed by any of the other methods for giving notice. In all cases notices shall be addressed to the parties at their respective addresses as follows:

If to Owner:

Charles Stephens
Stephens Properties, Inc.
715 Southpoint Blvd., Suite B
Petaluma, CA 94954-6836
Fax: +1 (707) 778-0512
Email: cstephens@northbayco.com

With a Copy to:

Steven D. Sallen, Esq.
MADDIN, HAUSER, ROTH & HELLER, P.C.
28400 Northwestern Highway
Second Floor - Essex Centre
Southfield, Michigan 48034
Fax (248) 359-6161
Email: ssallen@maddinhauser.com

If to City:

City on Pontiac
Hon. Deirdre Waterman
47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: _____
E-Mail: dwaterman@pontiac.mi.us

With a Copy to:

19. Tax Deferred Exchange (§1031). In the event, prior to closing, either party shall desire to restructure this transaction as a part of a tax deferred exchange, pursuant to § 1031 of the Internal Revenue Code, then the parties, as an accommodation to each other, shall enter into and execute any such amendatory documentation as either party may reasonably request; provided however, that the non-exchanging party shall not incur any additional cost, expense, risk or potential liability whatsoever on account thereof.

20. Time for Performance. In the event the last date for performance of any obligation or for giving any notice hereunder falls on a Saturday, Sunday or legal holiday of the state wherein the Real Estate is located, then the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday in such state. Time shall be of the essence for purposes of this transaction.

21. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterpart copies, all of which together shall constitute and be deemed an original, but all of which together shall constitute one and the same instrument binding on all parties. This Agreement may be executed in telecopy (faxed) copies and electronic (e-mail) copies and facsimile and electronic signatures shall be binding upon the parties.

SIGNATURES ON NEXT PAGE
BALANCE OF THIS PAGE IS BLANK

IN WITNESS WHEREOF, the City has executed this Agreement on the date signed by City shown below and Owner has accepted same on the date signed by Owner shown below.

City:

CITY OF PONTIAC,

By: _____

Its: _____

Date signed by City: _____, 2020

Owners:

As to Ottawa Tower I:

**NORTH BAY DRYWALL, INC. PROFIT
SHARING PLAN & TRUST**

By: _____

Name: Charles R. Stephens

Title: Authorized Trustee

As to Ottawa Tower II:

OTTAWA TOWER II, L.L.C.

By: _____

Name: Charles R. Stephens

Title: Authorized Manager

As to Perdue School:

PONTIAC INVESTMENT PROPERTIES, LLC

By: _____

Name: Charles R. Stephens

Title: Authorized Manager

Date signed by Owners: _____, 2020

LIST OF EXHIBITS:

EXHIBIT A-1	Legal Description of Ottawa Tower I
EXHIBIT A-2	Legal Description of Ottawa Tower II
EXHIBIT A-3	Legal Description of Perdue School
EXHIBIT B-1	Loan Amortization Schedule
EXHIBIT B-2	Promissory Note
EXHIBIT C	Omitted
EXHIBIT D	Schedule of Service Contracts
EXHIBIT E	Removal of All City Conditions
EXHIBIT F	Rent Roll
EXHIBIT G	State Lease Tenant Estoppel Certificate

EXHIBIT A-1

LEGAL DESCRIPTION OF SUBJECT PREMISES

"Ottawa Tower I" or "Woodward Parcel", being Tax Parcel 14-32-226-020:

All or parts of the following Lots and parcels in the City of Pontiac, Oakland County, Michigan: Lot numbers 5, 6, 7, 8, 10 and 11, ASSESSOR'S PLAT NO. 65, as recorded in Liber 1A on Page 65 of Plats, Oakland County Records and Lot numbers 31 through 39, inclusive, ASSESSOR'S PLAT NO. 114, as recorded in Liber 53 on Page 9 of Plats, Oakland County Records, and part of Lot 7 of SUBDIVISION OF OUTLOTS 18, 22 AND 23 in the Southeast 1/4 of Section 29, Town 3 North, Range 10 East, City of Pontiac, Oakland County, Michigan, as recorded in Liber 1 on Page 3 of Plats, Oakland County Records, (shown as Detroit Grand Haven & Milwaukee Railroad, excepted from Assessors Plat No. 114), also vacated Dawson Alley, all the aforementioned being more particularly described as follows: Beginning at a point located Northerly 79.00 feet along the Easterly Right of Way line of Saginaw Street and South 75 degrees 25 minutes 42 seconds West 249.58 feet along the Northerly Right of Way line of proposed Judson Street from the Northwest corner of Lot 16 of Assessor's Plat No. 130, as recorded in Liber 54A of Plats on Page 71, Oakland County Records; thence South 75 degrees 25 minutes 42 seconds West 108.89 feet, along the Northerly Right of Way line of proposed Judson Street; thence North 31 degrees 27 minutes 19 seconds West 451.91 feet along the Easterly Right of Way line of West Wide Track to a point on the South Right of Way line of revised Orchard Lake Avenue; thence along the said Orchard Lake Right of Way line North 88 degrees 47 minutes 56 seconds East 25.00 feet and North 75 degrees 47 minutes 56 seconds East 173.34 feet to the beginning of a curve, along the arc of said curve to the right 51.05 feet (Delta = 13 degrees 00 minutes 00 seconds, Radius = 225.00 feet, Chord bearing and distance North 82 degrees 17 minutes 56 seconds East 50.94 feet) and North 88 degrees 47 minutes 56 seconds East, 48.06 feet; thence South 14 degrees 32 minutes 05 seconds East, 66.56 feet; thence South 75 degrees 27 minutes 55 seconds West, 54.58 feet; thence South 14 degrees 32 minutes 05 seconds East, 341.81 feet to the point of beginning, known as Parcel 'F'. This description being parts of Urban Renewal Project Area R-44 and Urban Renewal Project Area R-20. ALSO described as: Assessors Plat No. 65, Sections 29 and 32, Town 3 North, Range 10 East, City of Pontiac, Oakland County, Michigan, Part of Lots 5 through 8 inclusive, Part of Lots 10 and 11, ALSO Part of vacated Dawson Alley, ALSO part of Lots 31 through 39, inclusive, of ASSESSORS PLAT NO. 114, ALSO Part of Lot 7 of Subdivision of Outlots 18, 22 and 23 in Southeast 1/4 of Section 29, ALSO Part of Northeast 1/4 of Section 32 adjacent to Lot 5 of Assessor's Plat No. 65, all described as: Beginning at point distant North 14 degrees 22 minutes 45 seconds West 79.00 feet and South 75 degrees 25 minutes 42 seconds West 249.58 feet from Northwest corner of Lot 16 of Assessors Plat No. 130; thence South 75 degrees 25 minutes 42 seconds West 108.89 feet; thence North 31 degrees 27 minutes 19 seconds West 451.91 feet; thence North 88 degrees 47 minutes 56 seconds East 25.00 feet; thence North 75 degrees 47 minutes 56 seconds East 173.34 feet; thence along curve to right, Radius 225.00 feet, Chord bears North 82 degrees 17 minutes 56 seconds East 50.94 feet, Distance of 51.05 feet, thence North 88 degrees 47 minutes 56 seconds East 48.06 feet; thence South 14 degrees 32 minutes 05 seconds East 66.56 feet; thence South 75 degrees 27 minutes 55 seconds West 54.58 feet; thence South 14 degrees 32 minutes 05 seconds East 341.81 feet to beginning.

Grassy Lot” aka “Vacant Lot”, being Tax Parcel 14-32-226-021:

Part of Lots 4, 8, 9, 10 and 11, including part of vacated Dawson Alley, of ASSESSOR'S PLAT NO. 65, according to the plat thereof as recorded in Liber 1 of Assessor's Plats, page 65, Oakland County Records, all described as: Commencing at the Northwest corner of Lot 16, of ASSESSORS PLAT NO. 130 A REPLAT OF ASSESSOR'S PLAT NO. 64, CRAWFORD'S ADDITION AND SUBDIVISION OF OUTLOT 6, according to the plat thereof as recorded in Liber 54A of Plats, page 71, Oakland County Records; thence Northerly along the Easterly right-of-way line of Saginaw Street 79.00 feet to a point on the Northerly right-of-way line of proposed Judson Street; thence South 75 degrees 25 minutes 42 seconds West, 96.55 feet to the Point of Beginning at the intersection of the Northerly right-of-way line of proposed Judson Street (79 feet wide) and the Westerly right-of-way line of Saginaw Street; thence continuing South 75 degrees 25 minutes 42 seconds West, 153.03 feet to a point; thence North 14 degrees 32 minutes 05 seconds West, 144.81 feet to a point; thence North 75 degrees 27 minutes 55 seconds East, 153.93 feet to a point on the Westerly right-of-way line of Saginaw Street; thence South 14 degrees 10 minutes 39 seconds East, 144.72 feet along said right-of-way line to the Point of Beginning.

EXHIBIT A-2

"Ottawa Tower II" aka "Judson Parcel", being Tax Parcel 14-32-227-002:

All or parts of Lots 1 through 8, both inclusive, 14, 15 and part of vacated Auburn Avenue, ASSESSOR'S PLAT NO. 130 A REPLAT OF ASSESSOR'S PLAT NO. 64, CRAWFORD'S ADDITION, AND SUBDIVISION OF OUTLOT NO. 6 IN THE N.E. ¼ SEC. 32, according to the plat thereof as recorded in Liber 54A of Plats, page 71, Oakland County Records, described as: Beginning at a point located Northerly 79.00 feet along the Easterly right of way line of Saginaw Street from the Northwest corner of Lot 16 of said Assessor's Plat No. 130, said Point of Beginning also being on the North right of way line of new Judson Street; thence North 14 degrees 30 minutes 01 seconds West, 144.67 feet; thence North 75 degrees 27 minutes 55 seconds East, 128.00 feet; thence North 14 degrees 32 minutes 05 seconds West, 2.42 feet; thence North 75 degrees 27 minutes 55 seconds East, 64.00 feet; thence South 14 degrees 32 minutes 05 seconds East, 2.42 feet; thence North 75 degrees 27 minutes 55 seconds East, 124.91 feet; thence South 14 degrees 32 minutes 05 seconds East, 181.79 feet to a point on the Northerly right of way line of Judson Street; thence along said Judson Street right of way line, North 85 degrees 36 minutes 10 seconds West, 6.48 feet to the beginning of a curve; thence along a curve to the left 214.75 feet, said curve having a radius of 648.70 feet, delta of 18 degrees 58 minutes 04 seconds, chord bearing and distance of South 84 degrees 54 minutes 44 seconds West, 213.77 feet; thence South 75 degrees 25 minutes 42 seconds West, 100.00 feet to the Point of Beginning.

Together with the right to the use of the following land in accordance with a License Agreement as granted by Pontiac City Commission meeting December 4, 1979, Resolution No. 738 to Downtown Pontiac Development Company, recorded in Liber 7788, Page 142, as more clearly described, limited and defined as; A parcel of land being part of the Saginaw Street right of way adjacent to Lots 1, 2, 3 and 4 of Assessor's Plat No. 130, as recorded in Liber 54A, Page 71, Oakland County Records, more particularly described as follows: Beginning at a point located Northerly 79.00 feet along the Easterly right of way line of Saginaw Street from the Northwest corner of Lot No. 16 of Assessor's Plat No. 130, in the Northeast ¼ of Section 32, City of Pontiac, Oakland County, Michigan, said point of beginning also being a point on the North right of way line of new Judson Street; thence North 14 degrees 30 minutes 01 seconds West 144.67 feet; thence South 75 degrees 27 minutes 55 seconds West 15.09 feet to a point; thence South 14 degrees 32 minutes 05 seconds East 144.68 feet to a point; thence North 75 degrees 25 minutes 42 seconds East 15.00 feet to the point of beginning.

EXHIBIT A-3

Legal Description for Perdue School

25 S. Sanford Street, Pontiac, MI 48342 (formerly Perdue School)

Lots 67 through 86, both inclusive, including vacated alley adjacent thereto, of ARDMORE, AN ADDITION TO THE CITY OF PONTIAC, according to the plat thereof as recorded in Liber 9, of Plats, page 10, Oakland County Records, ALSO Lots 197 through 210, both inclusive, and Lots 222 through 226, both inclusive, including portion of vacated Ardmore Street lying adjacent, of MAP OF CITIZEN'S DEVELOPMENT COMPANYS ADDITION TO THE CITY OF PONTIAC, according to the Plat thereof as recorded in Liber 21, of Plats, page 12, Oakland County Records.

Parcel ID: 14-28-455-001

EXHIBIT B-1

LOAN AMORTIZATION SCHEDULE

10/30/2020 1:45 PM

Stevens / 13776-003A

Compounding Period: Monthly

Nominal Annual Rate: 5.900%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	01/04/2021	5,600,000.00	1		
2	Payment	02/04/2021	81,539.71	84	Monthly	01/04/2028

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	01/04/2021				5,600,000.00
1	02/04/2021	81,539.71	27,533.33	54,006.38	5,545,993.62
2	03/04/2021	81,539.71	27,267.80	54,271.91	5,491,721.71
3	04/04/2021	81,539.71	27,000.97	54,538.74	5,437,182.97
4	05/04/2021	81,539.71	26,732.82	54,806.89	5,382,376.08
5	06/04/2021	81,539.71	26,463.35	55,076.36	5,327,299.72
6	07/04/2021	81,539.71	26,192.56	55,347.15	5,271,952.57
7	08/04/2021	81,539.71	25,920.43	55,619.28	5,216,333.29
8	09/04/2021	81,539.71	25,646.97	55,892.74	5,160,440.55
9	10/04/2021	81,539.71	25,372.17	56,167.54	5,104,273.01
10	11/04/2021	81,539.71	25,096.01	56,443.70	5,047,829.31
11	12/04/2021	81,539.71	24,818.49	56,721.22	4,991,108.09
2021 Totals		896,936.81	288,044.90	608,891.91	
12	01/04/2022	81,539.71	24,539.61	57,000.10	4,934,107.99
13	02/04/2022	81,539.71	24,259.36	57,280.35	4,876,827.64
14	03/04/2022	81,539.71	23,977.74	57,561.97	4,819,265.67
15	04/04/2022	81,539.71	23,694.72	57,844.99	4,761,420.68
16	05/04/2022	81,539.71	23,410.32	58,129.39	4,703,291.29
17	06/04/2022	81,539.71	23,124.52	58,415.19	4,644,876.10
18	07/04/2022	81,539.71	22,837.31	58,702.40	4,586,173.70
19	08/04/2022	81,539.71	22,548.69	58,991.02	4,527,182.68
20	09/04/2022	81,539.71	22,258.65	59,281.06	4,467,901.62
21	10/04/2022	81,539.71	21,967.18	59,572.53	4,408,329.09
22	11/04/2022	81,539.71	21,674.28	59,865.43	4,348,463.66
23	12/04/2022	81,539.71	21,379.95	60,159.76	4,288,303.90
2022 Totals		978,476.52	275,672.33	702,804.19	
24	01/04/2023	81,539.71	21,084.16	60,455.55	4,227,848.35

Stevens / 13776-003A

	Date	Payment	Interest	Principal	Balance
25	02/04/2023	81,539.71	20,786.92	60,752.79	4,167,095.56
26	03/04/2023	81,539.71	20,488.22	61,051.49	4,106,044.07
27	04/04/2023	81,539.71	20,188.05	61,351.66	4,044,692.41
28	05/04/2023	81,539.71	19,886.40	61,653.31	3,983,039.10
29	06/04/2023	81,539.71	19,583.28	61,956.43	3,921,082.67
30	07/04/2023	81,539.71	19,278.66	62,261.05	3,858,821.62
31	08/04/2023	81,539.71	18,972.54	62,567.17	3,796,254.45
32	09/04/2023	81,539.71	18,664.92	62,874.79	3,733,379.66
33	10/04/2023	81,539.71	18,355.78	63,183.93	3,670,195.73
34	11/04/2023	81,539.71	18,045.13	63,494.58	3,606,701.15
35	12/04/2023	81,539.71	17,732.95	63,806.76	3,542,894.39
2023 Totals		978,476.52	233,067.01	745,409.51	
36	01/04/2024	81,539.71	17,419.23	64,120.48	3,478,773.91
37	02/04/2024	81,539.71	17,103.97	64,435.74	3,414,338.17
38	03/04/2024	81,539.71	16,787.16	64,752.55	3,349,585.62
39	04/04/2024	81,539.71	16,468.80	65,070.91	3,284,514.71
40	05/04/2024	81,539.71	16,148.86	65,390.85	3,219,123.86
41	06/04/2024	81,539.71	15,827.36	65,712.35	3,153,411.51
42	07/04/2024	81,539.71	15,504.27	66,035.44	3,087,376.07
43	08/04/2024	81,539.71	15,179.60	66,360.11	3,021,015.96
44	09/04/2024	81,539.71	14,853.33	66,686.38	2,954,329.58
45	10/04/2024	81,539.71	14,525.45	67,014.26	2,887,315.32
46	11/04/2024	81,539.71	14,195.97	67,343.74	2,819,971.58
47	12/04/2024	81,539.71	13,864.86	67,674.85	2,752,296.73
2024 Totals		978,476.52	187,878.86	790,597.66	
48	01/04/2025	81,539.71	13,532.13	68,007.58	2,684,289.15
49	02/04/2025	81,539.71	13,197.75	68,341.96	2,615,947.19
50	03/04/2025	81,539.71	12,861.74	68,677.97	2,547,269.22
51	04/04/2025	81,539.71	12,524.07	69,015.64	2,478,253.58
52	05/04/2025	81,539.71	12,184.75	69,354.96	2,408,898.62
53	06/04/2025	81,539.71	11,843.75	69,695.96	2,339,202.66
54	07/04/2025	81,539.71	11,501.08	70,038.63	2,269,164.03
55	08/04/2025	81,539.71	11,156.72	70,382.99	2,198,781.04
56	09/04/2025	81,539.71	10,810.67	70,729.04	2,128,052.00
57	10/04/2025	81,539.71	10,462.92	71,076.79	2,056,975.21
58	11/04/2025	81,539.71	10,113.46	71,426.25	1,985,548.96
59	12/04/2025	81,539.71	9,762.28	71,777.43	1,913,771.53
2025 Totals		978,476.52	139,951.32	838,525.20	
60	01/04/2026	81,539.71	9,409.38	72,130.33	1,841,641.20
61	02/04/2026	81,539.71	9,054.74	72,484.97	1,769,156.23
62	03/04/2026	81,539.71	8,698.35	72,841.36	1,696,314.87

Stevens / 13776-003A

	Date	Payment	Interest	Principal	Balance
63	04/04/2026	81,539.71	8,340.21	73,199.50	1,623,115.37
64	05/04/2026	81,539.71	7,980.32	73,559.39	1,549,555.98
65	06/04/2026	81,539.71	7,618.65	73,921.06	1,475,634.92
66	07/04/2026	81,539.71	7,255.21	74,284.50	1,401,350.42
67	08/04/2026	81,539.71	6,889.97	74,649.74	1,326,700.68
68	09/04/2026	81,539.71	6,522.95	75,016.76	1,251,683.92
69	10/04/2026	81,539.71	6,154.11	75,385.60	1,176,298.32
70	11/04/2026	81,539.71	5,783.47	75,756.24	1,100,542.08
71	12/04/2026	81,539.71	5,411.00	76,128.71	1,024,413.37
2026 Totals		978,476.52	89,118.36	889,358.16	
72	01/04/2027	81,539.71	5,036.70	76,503.01	947,910.36
73	02/04/2027	81,539.71	4,660.56	76,879.15	871,031.21
74	03/04/2027	81,539.71	4,282.57	77,257.14	793,774.07
75	04/04/2027	81,539.71	3,902.72	77,636.99	716,137.08
76	05/04/2027	81,539.71	3,521.01	78,018.70	638,118.38
77	06/04/2027	81,539.71	3,137.42	78,402.29	559,716.09
78	07/04/2027	81,539.71	2,751.94	78,787.77	480,928.32
79	08/04/2027	81,539.71	2,364.56	79,175.15	401,753.17
80	09/04/2027	81,539.71	1,975.29	79,564.42	322,188.75
81	10/04/2027	81,539.71	1,584.09	79,955.62	242,233.13
82	11/04/2027	81,539.71	1,190.98	80,348.73	161,884.40
83	12/04/2027	81,539.71	795.93	80,743.78	81,140.62
2027 Totals		978,476.52	35,203.77	943,272.75	
84	01/04/2028	81,539.71	399.09	81,140.62	0.00
2028 Totals		81,539.71	399.09	81,140.62	
Grand Totals		6,849,335.64	1,249,335.64	5,600,000.00	

Last interest amount increased by 0.15 due to rounding.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.900%	\$1,249,335.64	\$5,600,000.00	\$6,849,335.64

EXHIBIT B-2
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

Oakland County, Michigan

\$5,600,000.00

Date of Note: January 4, 2021

Maturity Date: January 4, 2028

FOR VALUE RECEIVED, **THE CITY OF PONTIAC**, a municipal corporation ("Maker"), promises to pay to the order of **NORTH BAY DRYWALL, INC. PROFIT SHARING PLAN & TRUST**, a California Pension and Profit Sharing Trust, whose address is 715 Southpoint Blvd., Suite B, Petaluma, California 94954-6836 ("Payee"), the principal sum of **Five Million Six Hundred Thousand Dollars (\$5,600,000.00)**, together with interest from the date hereof as hereinafter set forth.

INTEREST

The principal balance of this Note from time to time outstanding shall bear interest while this Note is not in default at the rate of five and 90/100 percent (5.90%) per annum. Interest shall be computed on the basis of a three hundred sixty (360) day year, consisting of twelve (12) successive thirty (30) day months. Interest for periods of less than one (1) month shall be computed by multiplying the annual interest amount as computed above times a fraction, the numerator of which is the actual number of days elapsed in said period and the denominator of which is thirty (30) days. Upon any default hereunder, this Note shall bear interest at the rate of nine percent (9%) per annum until such default is cured.

It is the intention of Maker and Payee that the rate of interest from time to time applicable hereunder, including all sums and charges that may properly be deemed to constitute interest, shall not exceed the maximum lawful rate of interest. To that end, it is agreed that the rate of interest hereunder shall not, at any time, exceed any applicable lawful limitation on the rate or amount of interest that may be chargeable hereunder (the "Interest Rate Limitation"). In the event that the rate of interest otherwise applicable hereunder (including any sums paid independent of this Note and properly determined under applicable law to be interest) shall exceed the Interest Rate Limitation, the interest rate applicable to this Note shall automatically be reduced to the maximum interest rate which does not exceed the Interest Rate Limitation, and sums paid as interest which would cause the effective rate of interest hereunder to exceed the Interest Rate Limitation shall be applied to reduce the principal balance of this Note.

PAYMENTS

On the fourth (4th) day of February, 2021, and on the fourth (4th) day of each calendar month thereafter, principal and interest payments shall be due and payable in equal monthly installments (based upon a seven year amortization; see

Loan Amortization Schedule attached) of Eighty One Thousand Five Hundred Thirty Nine and 71/100 Dollars (\$81,539.71.64) until January 4, 2028 (the "Maturity Date"), on which date the entire unpaid principal balance together with all accrued interest, if not sooner paid, and all other Indebtedness shall become due and payable in full.

If any installment payment due under this Note is not made within five (5) days of the date when due, then Maker shall pay to Payee a late charge equal to five percent (5%) of such overdue amount. All payments shall be made by means of ACH, electronic funds transfer directly from Maker's account to the account or accounts of Payee, which account or accounts shall be specified by Payee within ten (10) days after the date hereof, and from time to time thereafter.

PREPAYMENT

The principal balance of this Note, may be prepaid in whole or in part at any time without notice, fee or penalty. All prepayments shall be applied first against any outstanding late charges and costs of collection, then to any sums that may be due under the Mortgage (defined below), then to accrued interest, and the balance against the last principal due under this Note. No prepayments shall affect the obligation of Maker to continue to make the regular installment payments hereinbefore mentioned until the entire unpaid principal and all accrued interest and other charges have been paid in full.

LETTER OF CREDIT AS SECURITY

A. This Note is secured by an irrevocable, standby, sight-draft letter of credit, issued by [insert name of LOC bank] Bank, an FDIC insured bank, in the face amount of **Five Million Six Hundred Thousand Dollars (\$5,600,000.00)** (the "Letter of Credit Amount"), naming Payee as beneficiary. The Letter of Credit permits multiple and partial draws thereon, and is otherwise in form mutually acceptable to Maker and Payee. Maker shall cause the Letter of Credit to be continuously maintained in effect (whether through replacement, renewal or extension) until this Note is repaid in full. If the Letter of Credit held by Payee expires earlier than when this Note is repaid in full (whether by reason of a stated expiration date or a notice of termination or non-renewal given by the issuing bank), Maker shall deliver a new Letter of Credit or certificate of renewal or extension (a "Renewal or Replacement LC") to Payee not later than thirty (30) days prior to the expiration date of the Letter of Credit then held by Payee; provided, however, that the Letter of Credit Amount may be reduced to the then outstanding principal balance of this Note. In addition, if at any time before this Note is repaid in full, Payee reasonably determines in the exercise of reasonable business judgment that the financial condition of the issuing bank is such that Payee's ability to draw upon the Letter of Credit is, or in the future may become, impaired, doubtful, restricted, refused or otherwise adversely affected, then Maker shall, within ten (10) Business Days after Payee's written demand to Maker, obtain and deliver to Payee a Renewal or Replacement LC in substitution of the then current Letter of Credit from an FDIC insured issuing bank, acceptable to Payee in Payee's reasonable discretion. Any Renewal or Replacement LC shall comply with all of the provisions of this Section, shall be irrevocable, transferable and shall remain in effect (or be automatically renewable) until this Note is repaid in full, upon the same terms as the expiring

Letter of Credit or such other terms as may be acceptable to Payee in its sole discretion. All fees of issuance, reissuance, maintenance, renewal and the like with respect to the Letter of Credit and/or any Renewal or Replacement LC shall be the sole responsibility of Maker to pay to the issuing bank. Maker. Upon occurrence of an Event of Default of this Note, Payee may present the Letter of Credit to the issuing Bank for immediate payment and the entire amount of the Letter of Credit shall be credited against all sums due and owing under this Promissory Note; any excess funds shall be remitted to the Maker.

B. The Letter of Credit and all proceeds thereof shall constitute Payee's sole and separate property (and not Maker's property or the property of Maker's bankruptcy estate) and Payee may immediately upon any draw (and without notice to Maker) apply or offset the proceeds of the Letter of Credit: (a) against any principal, interest or other sums due under this Note that is not paid when due; (b) against any costs incurred by Payee in connection with enforcing this Note and collecting the sums due hereunder (including attorneys' fees)

C. Maker covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part or the proceeds thereof and that neither Payee nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

D. Payee and Maker (a) acknowledge and agree that in no event or circumstance shall the Letter of Credit or any Renewal or Replacement LC, or any proceeds thereof, be deemed to be or treated as a "mortgage" or "lien" under any law applicable to mortgages and/or liens, (b) acknowledge and agree that the Letter of Credit (including any renewal or replacement thereof or substitute therefor or any proceeds thereof) is not intended to serve as a mortgage or lien, and the laws pertaining to foreclosure and/or enforcement of mortgages and other liens shall have no applicability or relevancy thereto, and (c) waive any and all rights, duties and obligations either party may now have or, in the future, will have relating to or arising from laws pertaining to mortgages and other liens.

EVENTS OF DEFAULT

The unpaid principal balance and all accrued interest thereon and any other sums due hereunder, shall become immediately due and payable at the option of the holder hereof:

A. Upon the failure of Maker to pay any installment of principal and/or interest within ten (10) days of the date when due hereunder; or

B. Upon the failure of Maker to pay the entire outstanding principal balance hereof and all then accrued and unpaid interest and any other sums due hereunder upon the Maturity Date; or

C. Upon Maker filing a petition for relief from creditors under the bankruptcy laws of the United States, any state insolvency law, or any other law pertaining to relief from creditors, or upon appointment or reinstatement of an emergency manager under state law to manage the affairs of the City; or

D. Upon the Letter of Credit being revoked or cancelled for any reason, or if it is not renewed or replaced with a Renewal or Replacement LC at least fifteen (15) business days prior to the date on which same is scheduled to expire, terminate or not be renewed.

Each of the forgoing occurrences is an "Event of Default" and upon occurrence of an Event of Default, the forgoing sums shall be due and payable, together with the costs and reasonable attorneys' fees incurred in collecting or enforcing payment, whether suit be brought or not, including without limitation, those incurred in any bankruptcy, reorganization, insolvency or other similar proceeding. Any failure of the holder to exercise such option to accelerate shall not constitute a waiver of the right to exercise such option to accelerate at any future time. Acceptance by the holder of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default. At any time thereafter and until the entire amount then due has been paid, the holder shall be entitled to exercise all rights conferred upon it in this Note and at law or in equity, upon the occurrence of an Event of Default.

Except as otherwise provided herein, Payee is not required to do any of the following before enforcing Payee's rights under this Note, including its right to present the Letter of Credit to the issuing Bank for immediate payment:

- (a) To demand payment of amounts due (known as presentment),
- (b) To give notice that amounts due have not been paid (known as notice of dishonor), or
- (c) To obtain an official certificate of non-payment (known as a protest).

WAIVER

Except as otherwise herein specifically provided, the Maker and all persons and entities at any time liable hereunder, hereby jointly and severally waive presentment for payment, demand, notice of nonpayment, notice of protest and protest of this Note, diligence in collection or bringing suit, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the holder with respect to payment or other provisions of this Note, and to the release of any collateral or any part thereof, with or without substitution.

GOVERNING LAW, SUCCESSORS AND ASSIGNS AND MISCELLANEOUS

This Note is made in the State of Michigan and shall be governed and construed in accordance with its laws. Maker agrees to submit to the non-exclusive jurisdiction of the state or federal courts located in Michigan for all purposes in respect of this Note or the Indebtedness (as defined in the Mortgage). If any provision(s) of this Note are in conflict with any statute or applicable rule of law, or are otherwise unenforceable for any reason whatsoever, such provision(s) shall be deemed null and void to the extent of such conflict or unenforceability, but shall be deemed separate from and shall not invalidate any other provision of this Note.

This Note shall, in accordance with its terms, be binding upon Maker, its successors and assigns (which shall include, without limitation all subsequent owners of any interest in any of the collateral and security provided by the Mortgage and any other security instruments) and shall inure to the benefit of Payee, its successors and assigns. Payee shall have the unrestricted right at any time or from time to time, without notice to Maker, to sell this Note and the loan evidenced by this Note and to assign the Mortgage and other loan documents or participation interests therein. Maker shall execute, acknowledge and deliver any and all reasonable and customary instruments requested by Payee to satisfy such purchasers or participants that the unpaid indebtedness evidenced by this Note is outstanding upon the terms and provisions set out in this Note, the Mortgage and any other loan documents at no cost to Maker. To the extent, if any, specified in such assignment or participation, such assignee(s) or participant(s) shall have the rights and benefits with respect to this Note, the Mortgage and any other loan documents as such assignee(s) or participant(s) would have if they were the Payee hereunder.

The Paragraph captions provided in this Note are for convenience only and shall not affect the meaning, interpretation or construction of the provisions hereof.

WAIVER OF JURY TRIAL.

MAKER AND PAYEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH LEGAL COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS NOTE OR THE INDEBTEDNESS.

THE CITY OF PONTIAC,
a municipal corporation

By: _____

Its: _____

AMORTIZATION SCHEDULE TO PROMISSORY NOTE

10/30/2020 1:45 PM

Stevens / 13776-003A

Compounding Period: Monthly

Nominal Annual Rate: 5.900%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	01/04/2021	5,600,000.00	1		
2	Payment	02/04/2021	81,539.71	84	Monthly	01/04/2028

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	01/04/2021				5,600,000.00
1	02/04/2021	81,539.71	27,533.33	54,006.38	5,545,993.62
2	03/04/2021	81,539.71	27,267.80	54,271.91	5,491,721.71
3	04/04/2021	81,539.71	27,000.97	54,538.74	5,437,182.97
4	05/04/2021	81,539.71	26,732.82	54,806.89	5,382,376.08
5	06/04/2021	81,539.71	26,463.35	55,076.36	5,327,299.72
6	07/04/2021	81,539.71	26,192.56	55,347.15	5,271,952.57
7	08/04/2021	81,539.71	25,920.43	55,619.28	5,216,333.29
8	09/04/2021	81,539.71	25,646.97	55,892.74	5,160,440.55
9	10/04/2021	81,539.71	25,372.17	56,167.54	5,104,273.01
10	11/04/2021	81,539.71	25,096.01	56,443.70	5,047,829.31
11	12/04/2021	81,539.71	24,818.49	56,721.22	4,991,108.09
2021 Totals		896,936.81	288,044.90	608,891.91	
12	01/04/2022	81,539.71	24,539.61	57,000.10	4,934,107.99
13	02/04/2022	81,539.71	24,259.36	57,280.35	4,876,827.64
14	03/04/2022	81,539.71	23,977.74	57,561.97	4,819,265.67
15	04/04/2022	81,539.71	23,694.72	57,844.99	4,761,420.68
16	05/04/2022	81,539.71	23,410.32	58,129.39	4,703,291.29
17	06/04/2022	81,539.71	23,124.52	58,415.19	4,644,876.10
18	07/04/2022	81,539.71	22,837.31	58,702.40	4,586,173.70
19	08/04/2022	81,539.71	22,548.69	58,991.02	4,527,182.68
20	09/04/2022	81,539.71	22,258.65	59,281.06	4,467,901.62
21	10/04/2022	81,539.71	21,967.18	59,572.53	4,408,329.09
22	11/04/2022	81,539.71	21,674.28	59,865.43	4,348,463.66
23	12/04/2022	81,539.71	21,379.95	60,159.76	4,288,303.90
2022 Totals		978,476.52	275,672.33	702,804.19	
24	01/04/2023	81,539.71	21,084.16	60,455.55	4,227,848.35

Stevens / 13776-003A

	Date	Payment	Interest	Principal	Balance
25	02/04/2023	81,539.71	20,786.92	60,752.79	4,167,095.56
26	03/04/2023	81,539.71	20,488.22	61,051.49	4,106,044.07
27	04/04/2023	81,539.71	20,188.05	61,351.66	4,044,692.41
28	05/04/2023	81,539.71	19,886.40	61,653.31	3,983,039.10
29	06/04/2023	81,539.71	19,583.28	61,956.43	3,921,082.67
30	07/04/2023	81,539.71	19,278.66	62,261.05	3,858,821.62
31	08/04/2023	81,539.71	18,972.54	62,567.17	3,796,254.45
32	09/04/2023	81,539.71	18,664.92	62,874.79	3,733,379.66
33	10/04/2023	81,539.71	18,355.78	63,183.93	3,670,195.73
34	11/04/2023	81,539.71	18,045.13	63,494.58	3,606,701.15
35	12/04/2023	81,539.71	17,732.95	63,806.76	3,542,894.39
2023 Totals		978,476.52	233,067.01	745,409.51	
36	01/04/2024	81,539.71	17,419.23	64,120.48	3,478,773.91
37	02/04/2024	81,539.71	17,103.97	64,435.74	3,414,338.17
38	03/04/2024	81,539.71	16,787.16	64,752.55	3,349,585.62
39	04/04/2024	81,539.71	16,468.80	65,070.91	3,284,514.71
40	05/04/2024	81,539.71	16,148.86	65,390.85	3,219,123.86
41	06/04/2024	81,539.71	15,827.36	65,712.35	3,153,411.51
42	07/04/2024	81,539.71	15,504.27	66,035.44	3,087,376.07
43	08/04/2024	81,539.71	15,179.60	66,360.11	3,021,015.96
44	09/04/2024	81,539.71	14,853.33	66,686.38	2,954,329.58
45	10/04/2024	81,539.71	14,525.45	67,014.26	2,887,315.32
46	11/04/2024	81,539.71	14,195.97	67,343.74	2,819,971.58
47	12/04/2024	81,539.71	13,864.86	67,674.85	2,752,296.73
2024 Totals		978,476.52	187,878.86	790,597.66	
48	01/04/2025	81,539.71	13,532.13	68,007.58	2,684,289.15
49	02/04/2025	81,539.71	13,197.75	68,341.96	2,615,947.19
50	03/04/2025	81,539.71	12,861.74	68,677.97	2,547,269.22
51	04/04/2025	81,539.71	12,524.07	69,015.64	2,478,253.58
52	05/04/2025	81,539.71	12,184.75	69,354.96	2,408,898.62
53	06/04/2025	81,539.71	11,843.75	69,695.96	2,339,202.66
54	07/04/2025	81,539.71	11,501.08	70,038.63	2,269,164.03
55	08/04/2025	81,539.71	11,156.72	70,382.99	2,198,781.04
56	09/04/2025	81,539.71	10,810.67	70,729.04	2,128,052.00
57	10/04/2025	81,539.71	10,462.92	71,076.79	2,056,975.21
58	11/04/2025	81,539.71	10,113.46	71,426.25	1,985,548.96
59	12/04/2025	81,539.71	9,762.28	71,777.43	1,913,771.53
2025 Totals		978,476.52	139,951.32	838,525.20	
60	01/04/2026	81,539.71	9,409.38	72,130.33	1,841,641.20
61	02/04/2026	81,539.71	9,054.74	72,484.97	1,769,156.23
62	03/04/2026	81,539.71	8,698.35	72,841.36	1,696,314.87

Stevens / 13776-003A

	Date	Payment	Interest	Principal	Balance
63	04/04/2026	81,539.71	8,340.21	73,199.50	1,623,115.37
64	05/04/2026	81,539.71	7,980.32	73,559.39	1,549,555.98
65	06/04/2026	81,539.71	7,618.65	73,921.06	1,475,634.92
66	07/04/2026	81,539.71	7,255.21	74,284.50	1,401,350.42
67	08/04/2026	81,539.71	6,889.97	74,649.74	1,326,700.68
68	09/04/2026	81,539.71	6,522.95	75,016.76	1,251,683.92
69	10/04/2026	81,539.71	6,154.11	75,385.60	1,176,298.32
70	11/04/2026	81,539.71	5,783.47	75,756.24	1,100,542.08
71	12/04/2026	81,539.71	5,411.00	76,128.71	1,024,413.37
2026 Totals		978,476.52	89,118.36	889,358.16	
72	01/04/2027	81,539.71	5,036.70	76,503.01	947,910.36
73	02/04/2027	81,539.71	4,660.56	76,879.15	871,031.21
74	03/04/2027	81,539.71	4,282.57	77,257.14	793,774.07
75	04/04/2027	81,539.71	3,902.72	77,636.99	716,137.08
76	05/04/2027	81,539.71	3,521.01	78,018.70	638,118.38
77	06/04/2027	81,539.71	3,137.42	78,402.29	559,716.09
78	07/04/2027	81,539.71	2,751.94	78,787.77	480,928.32
79	08/04/2027	81,539.71	2,364.56	79,175.15	401,753.17
80	09/04/2027	81,539.71	1,975.29	79,564.42	322,188.75
81	10/04/2027	81,539.71	1,584.09	79,955.62	242,233.13
82	11/04/2027	81,539.71	1,190.98	80,348.73	161,884.40
83	12/04/2027	81,539.71	795.93	80,743.78	81,140.62
2027 Totals		978,476.52	35,203.77	943,272.75	
84	01/04/2028	81,539.71	399.09	81,140.62	0.00
2028 Totals		81,539.71	399.09	81,140.62	
Grand Totals		6,849,335.64	1,249,335.64	5,600,000.00	

Last interest amount increased by 0.15 due to rounding.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.900%	\$1,249,335.64	\$5,600,000.00	\$6,849,335.64

EXHIBIT C
(Omitted)

EXHIBIT D

SCHEDULE OF SERVICE CONTRACTS

- **Detroit Elevator:** annual service contract for quarterly maintenance in both Towers. Renews annually on April 29th.
- **Waste Management:** 3 year contract that expires on November 1st, 2019 and renews on that date for another 3 years.
- **San Marino Outdoor Services:** Landscaping services for both buildings that is signed annually each Spring.

EXHIBIT E

REMOVAL OF ALL CITY CONDITIONS

THIS REMOVAL OF ALL CITY CONDITIONS is made this _____ day of _____, 20____, by _____ ("City") for the benefit of _____ ("Owner").

IN CONSIDERATION of Owner consummating on this date its sale of the Property described in the attached **Exhibit A** to City, and in fulfillment of City's obligation to provide this document to Owner at closing of the sale of the Property as provided in Section 8.K of that certain Agreement of Purchase and Sale, dated _____, 2020 ("Agreement") City hereby covenants and agrees as follows:

- A. City has independently reviewed, investigated and satisfied itself with respect to all aspects of the physical, legal and economic condition of the Property, all personal property included therewith, all documents delivered to City by Owner and others, the state of title, and all other matters relating to the Property as thoroughly and completely as City desires.
- B. City has not been impeded or prevented from completing his investigations, and to the best of City's knowledge, City is fully informed with regard to the Property and all other matters which were the subject of City's investigations.
- C. City's decision to proceed to closing of his purchase of the Property is based upon City's own independent investigations, and upon the advice of City's experts.
- D. City has not relied upon Owner or Owner's agents or representatives with regard to City's decision to remove any conditions precedent to closing or to proceed with his purchase of the Property.
- E. City acknowledges and understands that, except as expressly set forth in the Agreement, it is understood and agreed that Owner is not making and has not, at any, time made any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability or fitness for a particular purpose, and that the sale of the Property shall be **"as is, where is, with all faults,"** except to the extent expressly provided otherwise in this Agreement, and Buyer does hereby accept the Property in its **"as is, where is, with all faults"** condition.

Acknowledged and Agreed:

CITY:

BY:

TITLE:

OWNER:

BY:

TITLE:

EXHIBIT F
RENT ROLL

EXHIBIT G

Form of State Lease Tenant Estoppel Certificate
(See following page)

Enclosure "D" to Lease #11651-2012 by and between North Bay Drywall, Inc. Profit Sharing Plan and Trust, Charles R. Stephens, Trustee dated October 1, 1985, and the State of Michigan for the Department of Licensing and Regulatory Affairs.



SAMPLE ESTOPPEL CERTIFICATE

Date

Lessor Name/Mailing Address

Attn: Name of Lessor

Subject: Department of XXXXXXXXXXXX, Located at 1445 XXXXXXXXXXXX Avenue, Anytown, Michigan (#1234)

A review of the lease between XXXXXXXXXXXXXXXXXXXX and the State of Michigan for the above facility has been requested. Information obtained from this review might be used in negotiations for a possible change in ownership or financing of the facility.

The undersigned [is/is not] in possession as a tenant of certain rental space situated at [address of premises], Michigan, consisting of x,xxx square feet of [office/ warehouse/ residential/ (other)] space with a monthly rental of \$xx,xxx.xx. In connection therewith, the undersigned represents as follows:

The Leased premises [are/ will be] occupied pursuant to a certain written Lease dated [month/ day/ year] between the State of Michigan, as Lessee and [Lessor's name], a [corporation/ partnership/ trust/ estate etc.] as Lessor. Such Lease is presently in full force and effect [and has been amended "x" times].

The term of possession provided in the Lease [commenced/ commences] on [month/ day/ year] and expires on [month/ day/ year]. Renewal options are provided which can be exercised to extend possession to [month/ day/ year]. [Actual possession took place on [month/ day/ year] at which time rental payments started]. [An agreement [was/ was not] written to change the Lease dates to coincide with the date of possession].

This Lease [may] contain(s) a [lump-sum/ rental rate] adjustment clause for [liability insurance/ real property taxes/ other].

The undersigned [has/ has not] accepted possession of the Leased premises. Obligations or improvements required by the terms of said Lease, to be furnished or made by the Lessor to the premises, have been completed to date to the satisfaction of the undersigned with the exception of the following items:

1. [Items listed here], 2. etc., and 3., etc.

The most recent rent paid to the Lessor or Lessor's agent was for the month of XXXXXX; no rent has been paid more than thirty days in advance of its due date. There is no security deposit. The last payment of its proportionate share of real property taxes and insurance was made by the undersigned to the Lessor on [month/ day/ year] as a part of the regular monthly rental payment; no such payment has been made more than thirty days in advance of its due date.

The State [pays utilities directly with the exception of water and sewer service; proportional payment for water and sewer service made directly to the Lessor upon presentation of a billing document from the city. Common area expenses are paid as a part of the monthly rental].

The undersigned knows of no default or breach of the Lease by either the Lessor or State except obligations or improvements listed above - if any. The Lessor holds no deposit or other property of the State. There are no offsets, claims, or rent deductions except those which might be made by the State by its Department of XXXXXXXXXXXX. The Lessor should contact [name of State agency contact person] for information about rent deductions. The Lease (as amended) represents the entire agreement between the parties as to the Leased premises.

Sincerely,
Robert M. Burns
Real Estate Director

XXX:xxx

cc: Department contact person

**SELLER'S STATEMENT****Date:** November 16, 2020**GFNo:** 63-17513924-SCM

Sale From: Pontiac Investment Properties, LLC.,
a Michigan limited liability company
715 Southpoint Blvd. Suite B
Petaluma, CA 94954-6836

To: City of Pontiac
47450 Woodward Ave
Pontiac, MI 48342

Property: 25 S. Sanford Street
Pontiac, MI 48341

Sales Price	\$600,000.00
Reimbursements/Credits	
Summer 2020 Taxes (\$3,185.30)	From 11/16/2020 thru 6/30/2021 \$1,980.99
Winter 2019 Taxes (\$99.30)	From 11/16/2020 thru 11/30/2020 \$4.07
Total Reimbursements/Credits	\$1,985.06
Gross Amount Due to Seller	\$601,985.06

Less: Charges and Deductions

Total Charges and Deductions	\$0.00
Net Amount Due Seller	<u>\$601,985.06</u>

Seller understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. The lender involved may be furnished a copy of this statement.

Seller understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for the current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ATA National Title Group, LLC to make expenditure and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and a receipt of a copy of this Statement

Printed at: 11/12/2020 (03:09 pm)

Compliments of
ATA National Title Group, LLC
42651 Woodward Ave.
Bloomfield Hills, MI 48304
Ph:(248) 338-7135 Fax:(248) 338-3045

ATA National Title Group, LLC

By _____
Gracie Van Huffel

Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative



PURCHASER'S STATEMENT

Date: November 16, 2020

GFNo: 63-17513924-SCM

Sale From: Pontiac Investment Properties, LLC.,
a Michigan limited liability company
715 Southpoint Blvd. Suite B
Petaluma, CA 94954-6836

To: City of Pontiac
47450 Woodward Ave
Pontiac, MI 48342

Property: 25 S. Sanford Street
Pontiac, MI 48341

Purchase Price **\$600,000.00**

Plus: Charges

Transfer Tax to Oakland County, MI Register of Deeds.....	\$5,160.00
Summer 2020 Taxes (\$3,185.30)	From 11/16/2020 thru 6/30/2021 \$1,980.99
Winter 2019 Taxes (\$99.30)	From 11/16/2020 thru 11/30/2020 \$4.07
Title Insurance to ATA National Title Group, LLC - Commercial	\$2,197.50
Owners Title Insurance to ATA National Title Group, LLC	\$2,197.50
Transaction Fee to ATA National Title Group, LLC - Commercial.....	\$400.00
Recording Processing Fee to Attorneys Title Agency Commercial	\$50.00

Total Charges..... **\$9,792.56**

Gross Amount Due By Purchaser..... **\$609,792.56**

Less: Credits

Total Credits..... **\$0.00**

Balance Due by Purchaser..... **\$609,792.56**

Purchaser understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. The lender involved may be furnished a copy of this statement.

Purchaser understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for the current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ATA National Title Group, LLC to make expenditure and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and a receipt of a copy of this Statement

ATA National Title Group, LLC

City of Pontiac

By _____
Gracie Van Huffel

By: _____
Deirdre Waterman
Its: Mayor

Printed at: 11/12/2020 (03:09 pm)

Compliments of
ATA National Title Group, LLC
42651 Woodward Ave.
Bloomfield Hills, MI 48304
Ph:(248) 338-7135 Fax:(248) 338-3045

WARRANTY DEED

63-17513924-SCM

KNOW ALL PERSONS BY THESE PRESENTS: That: Pontiac Investment Properties, LLC., a Michigan limited liability company, ("Grantor")

the address of which is: 715 Southpoint Blvd. Suite B, Petaluma, CA 94954-6836

convey(s) and warrant(s) to: City of Pontiac, ("Grantee")

the address of which is: 47450 Woodward Ave, Pontiac, MI 48342

the following described premises situated in the City of Pontiac, County of Oakland, State of Michigan, to wit:

Lots 67 through 86, inclusive, including vacated alley adjacent thereto, Ardmore, an Addition to the City of Pontiac, as recorded in Liber 9, Page 10 of Plats, Oakland County Records, also Lots 197 through 210, inclusive and Lots 222 through 226, inclusive, including portion of vacated Ardmore Street lying adjacent, of Map of Citizen's Development Company's Addition to the City of Pontiac, as recorded in Liber 21, Page 12 of Plats, Oakland County Records.

also known as Property Address: 25 S. Sanford Street, Pontiac, MI 48341
Parcel ID No.: 14-28-455-001

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining,
REAL ESTATE TRANSFER VALUATION AFFIDAVIT FILED.

Subject to Permitted Exceptions, see Exhibit A

When Recorded return to:
City of Pontiac
47450 Woodward Ave
Pontiac, MI 48342

Send Subsequent Tax Bills To:
Grantee

Drafted By:
Pontiac Investment Properties, LLC
Michael B. Stephens
715 Southpoint Blvd. Suite B
Petaluma, CA 94954-6836
Assisted by: ATA National Title Group

Dated this November 16, 2020

Signed by:
Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: Michael B. Stephens
Its: Authorized Representative

State of Michigan)
)SS.
County of Oakland)

The foregoing instrument was acknowledged before me on this _____ day of November, 2020 by Michael B. Stephens, Authorized Representative of The Stephens Family 1996 Trust, Sole Member of Pontiac Investment Properties, LLC., a Michigan limited liability company

Notary Public: _____
 Notary County: _____, State: _____
 Commission Expires: _____
 Acting In: _____

Exhibit A
Permitted Exceptions

- Covenants, conditions and restrictions and other provisions but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin as contained in instrument recorded in Liber_257,_Page_632; Liber_303,_Page_493; Liber_306,_Page_5; Liber_312,_Page_330; Liber_318,_Page_546; Liber_326,_Page_64; Liber_326,_Page_127; Liber_326,_Page_435; Liber_326,_Page_494; Liber_331,_Page_114; Liber_331,_Page_342; Liber_352,_Page_82; Liber_364,_Page_322; Liber_354,_Page_215; Liber_363,_Page_477; Liber_364,_Page_341; Liber_398,_Page_243 and Liber_411,_Page_571, Oakland County Records. As to various Lots.
- Interest of Valerio Carpi, as recorded in Liber_257,_Page_632, Oakland County Records.

Real Estate Transfer Tax Valuation Affidavit

Issued under authority of Public Act 134 of 1966 and 330 of 1993 as amended.

This form must be filed with the Register of Deeds for the county where the property is located either when you choose not to enter the amount paid for real estate on the deed or when you contract for the transfer or acquisition of a controlling interest in an entity if the real property owned by that entity comprises 90% or more of the fair market value of the assets of the entity determined in accordance with generally accepted accounting principles. "Controlling interest" means more than 80% of the total value of all classes of stock of a corporation; more than 80% of the total interest in capital and profits of a partnership, association, limited liability company, or other unincorporated form of doing business; or more than 80% of the beneficial interest in a trust. The tax is based on the value of the real property transferred and is collected at the time the contract or instrument of conveyance is submitted for recording. "Value" means the current or fair market worth in terms of legal monetary exchange at the time of the transfer.

1. County of Property OAKLAND		2. City or Township of Property PONTIAC	
3. Names of ALL Sellers PONTIAC INVESTMENT PROPERTIES, LLC., A MICHIGAN LIMITED LIABILITY COMPANY			
Seller's Mailing Address(es) 715 SOUTHPOINT BLVD. SUITE B		City PETALUMA	State CA
		Zip Code 94954-6836	
4. Names of ALL Purchasers CITY OF PONTIAC			
Purchaser's Mailing Address(es) 47450 WOODWARD AVE		City PONTIAC	State MI
		Zip Code 48342	
5. Type and Date of Document <input type="checkbox"/> Land Contract Date of Contract: <input checked="" type="checkbox"/> Deed Date: <u>11/16/2020</u> <input type="checkbox"/> Contracts for the transfer or acquisition of a controlling interest in entity where 90% or more of the FMV of the assets are real property. The contract may be attached to this form when it is filed with the Register of Deeds.			
Entity Name	State of Organization		Date of Contract
Entity Address			
6. Cash Payment and/or Debt Relieved \$600,000.00	7. Amount of Mortgage/Land Contract \$0.00	8. Total Consideration (Add lines 6 & 7) \$600,000.00	
9. Amount of County Tax \$660.00	10. Amount of State Tax \$4,500.00	11. Total Revenue Stamps (Add lines 9 & 10) \$5,160.00	
12. If consideration is less than market value, state market value.			
13. Legal Description of Real Estate Transferred Lots 67 through 86, inclusive, including vacated alley adjacent thereto, Ardmore, an Addition to the City of Pontiac, as recorded in Liber 9, Page 10 of Plats, Oakland County Records, also Lots 197 through 210, inclusive and Lots 222 through 226, inclusive, including portion of vacated Ardmore Street lying adjacent, of Map of Citizen's Development Company's Addition to the City of Pontiac, as recorded in Liber 21, Page 12 of Plats, Oakland County Records.			
CERTIFICATION			
I certify that the information above is true and complete to the best of my knowledge.			
Seller's Signature		If signer is other than the seller, print name and title.	
Seller's Signature		If signer is other than the seller, print name and title.	
Seller's Signature		If signer is other than the seller, print name and title.	
Seller's Signature		If signer is other than the seller, print name and title.	
NOTARIZATION			
Subscribed and sworn to me:		Notary Public State of Michigan; County of:	on this date: My commission expires on:

Property Transfer Affidavit

This form is issued under authority of P.A. 415 of 1994. Filing is mandatory.

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). The completed Affidavit must be filed by the new owner with the assessor for the city or township where the property is located within 45 days of the transfer. The information on this form is NOT CONFIDENTIAL.

1. Street Address of Property 25 S. SANFORD STREET		2. County OAKLAND	3. Date of Transfer (or land contract signed) November 16, 2020
4. Location of Real Estate (Check appropriate field and enter name in the space below.) <input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village PONTIAC		5. Purchase Price of Real Estate \$600,000.00	
6. Seller's (Transferor) Name PONTIAC INVESTMENT PROPERTIES, LLC., A MICHIGAN LIMITED LIABILITY COMPANY		8. Buyer's (Transferee) Name and Mailing Address CITY OF PONTIAC 47450 Woodward Ave Pontiac, MI 48342	
7. Property Identification Number (PIN). If you don't have a PIN, attach legal description. PIN This Number ranges from 10 to 25 digits. It usually includes hyphens and sometimes includes letters. It is on the property tax bill and on the assessment notice. 14-28-455-001		9. Buyer's (Transferee) Telephone Number	

Items 10-15 are optional. However, by completing them you may avoid further correspondence.

10. Type of Transfer. <u>Transfers</u> include, but are not limited to, deeds, land contracts, transfers involving trusts or wills, certain long-term leases and business interest. See page 2 for list. <input type="checkbox"/> Land Contract <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Deed <input type="checkbox"/> Other (specify) _____			
11. Was property purchased from a financial institution? <input type="checkbox"/> Yes <input type="checkbox"/> No	12. Is the transfer between related persons? <input type="checkbox"/> Yes <input type="checkbox"/> No	13. Amount of Down Payment	
14. If you financed the purchase, did you pay market rate of interest? <input type="checkbox"/> Yes <input type="checkbox"/> No		15. Amount Financed (Borrowed)	

EXEMPTIONS

Certain types of transfers are exempt from uncapping. If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

- ☐ Transfer from one spouse to the other spouse
- ☐ Change in ownership solely to exclude or include a spouse
- ☐ Transfer between certain family members *(see page 2)
- ☐ Transfer of that portion of a property subject to a life lease or life estate (until the life lease or life estate expires)
- ☐ Transfer between certain family members of that portion of a property after the expiration or termination of a life estate or life lease retained by transferor ** (see page 2)
- ☐ Transfer to effect the foreclosure or forfeiture of real property
- ☐ Transfer by redemption from a tax sale
- ☐ Transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust
- ☐ Transfer resulting from a court order unless the order specifies a monetary payment
- ☐ Transfer creating or ending a joint tenancy if at least one person is an original owner of the property (or his/her spouse)
- ☐ Transfer to establish or release a security interest (collateral)
- ☐ Transfer of real estate through normal public trading of stock
- ☐ Transfer between entities under common control or among members of an affiliated group
- ☐ Transfer resulting from transactions that qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code.
- ☐ Transfer of qualified agricultural property when the property remains qualified agricultural property and affidavit has been filed.
- ☐ Transfer of qualified forest property when the property remains qualified forest property and affidavit has been filed.
- ☐ Transfer of land with qualified conservation easement (land only - not improvements)
- ☐ Other, specify: _____

CERTIFICATION

I certify that the information above is true and complete to the best of my knowledge.

Printed Name City of Pontiac		
Signature		Date
Name and title, if signer is other than the owner	Daytime Phone Number	E-mail Address

Instructions:

This form must be filed when there is a transfer of real property or one of the following types of personal property:

- Buildings on leased land.
- Leasehold improvements, as defined in MCL Section 211.8(h).
- Leasehold estates, as defined in MCL Section 211.8(i) and (j).

Transfer of ownership means the conveyance of title to or a present interest in property, including the beneficial use of the property. For complete descriptions of qualifying transfers, please refer to MCL Section 211.27a(6)(a-j).

Excerpts from Michigan Compiled Laws (MCL), Chapter 211

****Section 211.27a(7)(d):** Beginning December 31, 2014, a transfer of that portion of residential real property that had been subject to a life estate or life lease retained by the transferor resulting from expiration or termination of that life estate or life lease, if the transferee is the transferor's or transferor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the transfer. Upon request by the department of treasury or the assessor, the transferee shall furnish proof within 30 days that the transferee meets the requirements of this subdivision. If a transferee fails to comply with a request by the department of treasury or assessor under this subdivision, that transferee is subject to a fine of \$200.00.

***Section 211.27a(7)(t):** Beginning December 31, 2014, a transfer of residential real property if the transferee is the transferor's or the transferor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the transferee shall furnish proof within 30 days that the transferee meets the requirements of this subparagraph. If a transferee fails to comply with a request by the department of treasury or assessor under this subparagraph, that transferee is subject to a fine of \$200.00.

Section 211.27a(10): "... the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description."

Section 211.27(5): "Except as otherwise provided in subsection (6), the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction."

Penalties:

Section 211.27b(1): "If the buyer, grantee, or other transferee in the immediately preceding transfer of ownership of property does not notify the appropriate assessing office as required by section 27a(10), the property's taxable value shall be adjusted under section 27a(3) and all of the following shall be levied:

(a) Any additional taxes that would have been levied if the transfer of ownership had been recorded as required under this act from the date of transfer.

(b) Interest and penalty from the date the tax would have been originally levied.

(c) For property classified under section 34c as either industrial real property or commercial real property, a penalty in the following amount:

(i) Except as otherwise provided in subparagraph (ii), if the sale price of the property transferred is \$100,000,000.00 or less, \$20.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of \$1,000.00.

(ii) If the sale price of the property transferred is more than \$100,000,000.00, \$20,000.00 after the 45 days have elapsed.

(d) For real property other than real property classified under section 34c as industrial real property or commercial real property, a penalty of \$5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of \$200.00.



Acknowledgement of Receipt Property Transfer Affidavit

Date: November 16, 2020

Re: 25 S. Sanford Street, Pontiac, MI 48341
File No.: 63-17513924-SCM

Property Transfer Affidavit Acknowledgement

The undersigned hereby acknowledges receipt of the Property Transfer Affidavit. Further the undersigned understands and agrees to assume all responsibility for filing the affidavit in accordance with the instructions received and will file the form with the local assessor in the municipality in which the subject property is located.

City of Pontiac

By: _____
Deirdre Waterman
Its: Mayor

OWNER'S AFFIDAVIT and ORDER TO ISSUE

State of Michigan)
)SS
County of Oakland)

Pontiac Investment Properties, LLC., a Michigan limited liability company (hereinafter the "undersigned"), by its Authorized Signatory, being first sworn, deposes and states, to the best of its knowledge:

1. That the undersigned is the owner of certain premises described in ATA National Title Group, LLC Title Agency Commitment No. 63-17513924-SCM with an effective date of 10/19/2020 (hereinafter the "Commitment").
2. That the individual whose signature appears below is authorized and empowered to execute this Affidavit, as well as any/all instrument(s) necessary to mortgage or convey the interest in the subject property to be insured, on behalf of Pontiac Investment Properties, LLC., a Michigan limited liability company.
3. That Pontiac Investment Properties, LLC., a Michigan limited liability company is organized within the State of Michigan and is currently in good standing, without the threat of revocation.
4. That Schedule A of the Commitment contains the complete legal description of the property to be sold/mortgaged/leased (hereinafter the "property").
5. That the undersigned is in possession of the property and there are no other parties in possession or claiming rights of possession, except: _____
6. Other than that which is shown within Schedule B, Sections I or II of the Commitment, that there are no due or delinquent taxes (real estate, personal, commercial and/or industrial facilities), special assessments, water/sewer bills, utility bills or management or association fees covering the subject property, except:

7. That there have been no improvements made, nor labor or materials furnished to the premises, within the past one hundred twenty (120) days for alterations, repair, work, or new construction on the property, including but not limited to tenant work, except: _____. The undersigned represents that as of the date of closing of the above captioned transaction there has been no work performed by a Design Professional and there is no unpaid or outstanding balance on any contract for Professional Services as defined under the Michigan Construction Lien Act for the land described in Schedule A of the title commitment.
8. Other than that which is shown within Schedule B, Sections I or II of the Commitment, that the undersigned has no knowledge of any water, mineral, gas or oil rights, unrecorded easements or claims of easements, unrecorded agreements, boundary line disputes, encroachments, zoning violations, covenants conditions or restrictions (CCR) violations, options to purchase, rights of first refusal or claims of such grants or rights relative thereto, except:

9. Other than that which is shown within Schedule B, Sections I or II of the Commitment, that the undersigned has no knowledge of any other matters affecting the title, including, but not limited to mortgages, liens, land contracts, options, rights of first refusal, leases, easements, rights-of-way, restrictions, tax liens, judgment liens, party walls or other encumbrances.
10. Other than that which is shown within Schedule B, Sections I or II of the Commitment, that the undersigned has no knowledge of any action or proceeding now pending in any state or federal court that could, if adversely decided, result in a lien or charge upon the property, except: _____
11. That the undersigned has not filed, nor is subject to, any bankruptcy, receivership or insolvency proceedings.
12. That the undersigned has not executed, and will not execute, any instrument that could adversely affect the title or the interest to be insured between the effective date of the Commitment and the recording of the interest to be insured.

13. That in the event the transaction to be insured is a sale, the undersigned has no knowledge of any written commission agreement running in favor of a commercial real estate broker, except: _____
14. That the property is not subject to either a commercial or industrial facility tax established under Act 198 of Public Acts of 1974 (MCLA 207.551) or Act 255 of Public Acts of 1978 (MCLA 207.651).
15. This Affidavit is made for purposes of inducing ATA National Title Group, LLC to issue its policy or policies of title insurance pursuant to the Commitment. The undersigned hereby a) acknowledges that ATA National Title Group, LLC is placing material reliance upon the representations rendered herein, b) indemnifies and agrees to hold ATA National Title Group, LLC and Old Republic National Title Insurance Company harmless from any loss or expense, including reasonable attorney fees, sustained because any statement herein is directly or indirectly asserted to be false or inaccurate and c) agrees that in the event it is determined there are unpaid charges which were due and payable prior to and including the date of closing, and which are the responsibility and obligation of Affiant, that Affiant shall pay any and all amounts so charged and shall provide proof of payment of same to ATA National Title Group, LLC.

Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative

State of Michigan)
)SS.
County of)

The foregoing instrument has been subscribed and sworn to before me on this _____ day of November, 2020 by Michael B. Stephens, Authorized Representative of The Stephens Family 1996 Trust, Sole Member of Pontiac Investment Properties, LLC., a Michigan limited liability company

Notary Public: _____
Notary County: _____, State: _____
Commission Expires: _____
Acting In: _____

Certification of Non-Foreign Status

(corporation, partnership, trust or estate transferor)

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Pontiac Investment Properties, LLC., a Michigan limited liability company ("Transferor"), the undersigned hereby certifies the following on behalf of the Transferor.

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations)
2. Transferor is not a disregarded entity, as defined in Treas. Reg. § 1.1445-2(b)(2)(iii)
3. Transferor's U.S. taxpayer identification number is [REDACTED]
4. Transferor's address is 715 Southpoint Blvd. Suite B Petaluma, CA 94954-6836

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punishable by fine, imprisonment, or both.

Under penalties or perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative

State of Michigan)
)SS
County of Oakland)

The foregoing instrument has been subscribed and sworn to before me on this ____ day of November, 2020 by Michael B. Stephens, Authorized Representative of The Stephens Family 1996 Trust, Sole Member of Pontiac Investment Properties, LLC., a Michigan limited liability company.

Notary Public: _____
Notary County: _____, State: _____
Commission Expires: _____
Acting In: _____

File No.: 63-17513924-SCM

2020**Substitute Form 1099-S
Proceeds from Real Estate Transactions**

FILER'S Name, Address and Telephone No.	TRANSFEROR'S Name and Address
ATA National Title Group, LLC - Commercial Bloomfield 42651 Woodward Ave. Bloomfield Hills, MI 48304 Telephone: (248) 338-7135 FILER'S federal identification number 61-1492166	Pontiac Investment Properties, LLC., a Michigan limited liability company 715 Southpoint Blvd. Suite B Petaluma, CA 94954-6836

Transaction Information	
Date of closing	11/16/2020
Gross proceeds	\$600,000.00
Allocation of gross proceeds	\$600,000.00
Buyer's part of real estate tax	\$1,985.06
Address or legal description	25 S. Sanford Street, Pontiac, MI 48341
Transferor received or will receive property or services as part of the consideration	No
Account or escrow number (see instructions)	63-17513924-SCM

- This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

- You are required by law to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

- Under penalties of perjury, I certify that I am a U.S. person or U.S. resident alien and the number shown on this statement is my correct taxpayer identification number. I acknowledge receipt of a copy of this statement.

MUST BE COMPLETED BY SELLER:

Transferor is a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust)	<input type="checkbox"/> No <input type="checkbox"/> Yes
Tax ID / SSN: [REDACTED]	

Dated: _____
Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative

Instructions for Transferor

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the instructions for Schedule D (Form 1040). If the real estate was not your main home, report the transaction on Form 4797, Form 6252, and/or the Schedule D for the appropriate income tax form. If you received or will receive like-kind property, you must file Form 8824.

Federal mortgage subsidy. You may have to recapture (pay back) all or part of a federal mortgage subsidy if **all** the following apply.

- You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate.
- Your original mortgage loan was provided after 1990.
- You sold or disposed of your home at a gain during the first 9 years after you received the federal mortgage subsidy.
- Your income for the year you sold or disposed of your home was over a specified amount.

This will increase your tax. See Form 8828 and Pub. 523.

Transferor's identification number. For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the issuer has reported your complete identification number to the IRS.

Account number. May show an account or other unique number the filer assigned to distinguish your account.



Water and Sewer/Septic Agreement and Hold Harmless - No Funds Held

File No.: 63-17513924-SCM
Property Address: 25 S. Sanford Street, Pontiac, MI 48341
Buyer: City of Pontiac
Seller: Pontiac Investment Properties, LLC., a Michigan limited liability company

WHEREAS, closing for the above referenced property is scheduled for 11/16/2020.

AND WHEREAS, Buyer(s) and Seller(s) acknowledge and agree that ATA National Title Group, LLC is not holding any funds with regard to any outstanding water and sewer/septic bills;

AND WHEREAS, the Seller(s) and Buyer(s) hereby acknowledge and agree that they will handle payment and reconciliation of any WATER AND SEWER/SEPTIC bills outside of closing;

AND WHEREAS, notwithstanding the foregoing, the Buyer(s) desire and instruct ATA National Title Group, LLC, its subsidiaries or affiliates and its Underwriter to close this transaction;

NOW THEREFORE, in order to induce ATA National Title Group, LLC and its Underwriter, to issue a Owners policy of title insurance, the parties agree as follows:

The Buyer(s) and Seller(s) agree to hold harmless, indemnify and forever release from liability ATA National Title Group, LLC, its subsidiaries and affiliates, and its Underwriter from any outstanding water and sewer/septic owing and for any and all loss, damage or injury sustained as a result of there being no water and sewer/septic escrow as part of this closing. The Buyer(s) and Seller(s) also agree to hold harmless, indemnify and forever release from liability ATA National Title Group, LLC, its subsidiaries and affiliates, and its Underwriter for any and all loss, damage or injury sustained as a result of this closing as relating to and including but not limited to, water and sewer/septic bills, costs, fines, penalties, levies, special assessments, meter readings, meter installations, and water and sewer/septic hook-up and connection.

Dated: November 16, 2020

City of Pontiac

By: _____
Deirdre Waterman
Its: Mayor

Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative



42651 Woodward Ave., Bloomfield Hills, MI, 48304
Phone: (248) 338-7135

Compliance Agreement

Closing Date: 11/16/2020
File No.: 63-17513924-SCM
Seller: Pontiac Investment Properties, LLC., a Michigan limited liability company
Buyer/Borrower: City of Pontiac
Property Address: 25 S. Sanford Street, Pontiac, MI 48341

The undersigned purchaser(s)/mortgagor(s) and seller(s), for and in consideration of ATA National Title Group, LLC, this date, closing this transaction involving the above-mentioned property, do hereby agree, if requested to do so by ATA National Title Group, LLC to promptly and fully cooperate and adjust for clerical errors in any and all documentation, if deemed necessary or desirable in the sole and reasonable discretion of ATA National Title Group, LLC, in order to allow ATA National Title Group, LLC to clear any and all liens or other items necessary to enable ATA National Title Group, LLC to issue its policy or policies of title insurance as contemplated and/or requested by the Purchase Agreement/Lender(s).

The aforesaid clerical errors shall include, but not limited to: inadvertent typographical errors on closing documents (requiring initialing or corrections); missing or incorrect signatures on closing documents; incorrect and/or incomplete information regarding taxes, special assessments, water and sewer bills, as furnished to ATA National Title Group, LLC by municipalities or other sources; incorrect computation of prorations; incorrect information on payoff letters (resulting in discrepancies and/or shortages on payoffs); problems arising as a result of documentation being rejected for recording by the County Recorder's Office (Register of Deeds).

The undersigned parties hereby affirm that their names are correct as spelled below. In the event ATA National Title Group, LLC needs to contact either or both of the undersigned parties in order to resolve any issue such as those described above, the undersigned parties may be contacted using the following information:

Address: 47450 Woodward Ave Pontiac, MI 48342	Address: 715 Southpoint Blvd. Suite B Petaluma, CA 94954-6836
Phone: _____	Phone: _____
Email: _____	Email: _____

Dated: _____

Dated: _____

City of Pontiac

Pontiac Investment Properties, LLC.,
a Michigan limited liability company

By: _____
Deirdre Waterman
Its: Mayor

By: The Stephens Family 1996 Trust
Its: Sole Member

By: _____
Michael B. Stephens
Its: Authorized Representative



PROCEEDS HANDLING INSTRUCTIONS & AUTHORIZATION

Closing Date: 11/16/2020
File No.: 63-17513924-SCM
Seller: Pontiac Investment Properties, LLC., a Michigan limited liability company
Buyer/Borrower: City of Pontiac
Property Address: 25 S. Sanford Street, Pontiac, MI 48341

Please advise ATA National Title Group, LLC how you would like to receive your funds, once available:

☐ **Pick up check from ATA National Title Group, LLC**
Note: Please call first to determine when funds will be available: Gracie Van Huffel; 248-375-4134

☐ **Receive check by courier mail (i.e. Federal Express, UPS)**
Please send to the following address:

☐ **Release check to Other party:**
Name: _____ Phone: _____
Relationship to Seller: (ie. Realtor/Attorney/etc.): _____

☐ **Receive funds by wire transfer.**
****NOTE: Settlement Agent will NOT disburse any funds to an online brokerage or trading account.**
ATA National Title Group, LLC (the "Settlement Agent") has been asked to wire the net proceeds from the above captioned transaction into a single account. Please fill out the necessary information below.

BANK ACCOUNT INFORMATION FOR WIRING PURPOSES

******NOTE: ACCOUNT listed CANNOT be an investment, brokerage or trading type of account.******

NAME(S) ON ACCOUNT: _____
BANK NAME: _____
ABA ROUTING #: _____
ACCOUNT #: _____

NOTE: Please contact your financial institution to confirm the correct routing number for wiring. The wire routing number may not be the same routing number that appears on your check. Providing an incorrect routing number will delay receipt of your funds.

Initial Here: _____

The undersigned parties hereby agree, that provided the net proceeds are disbursed in accordance with the instructions set forth above, or as may be amended in writing by the execution of an Amendment to Proceeds Handling Instructions & Authorization, the Settlement Agent shall not be liable for any act or omission of any financial institution, mail delivery vendor or any other person, nor shall Settlement Agent have any liability for loss of funds or interest thereon. The undersigned hereby agree to indemnify and hold harmless the Settlement Agent, its successors, assigns, agents and underwriters, from any loss, liability or cost incurred as a result of any incorrect information supplied or as a result of any delay in receipt of the proceeds.

Best Phone Number for Contact: _____

**Pontiac Investment Properties, LLC.,
a Michigan limited liability company**

By: The Stephens Family 1996 Trust
Its: Sole Member

By: Michael B. Stephens
Its: Authorized Representative

State of Michigan)
)SS
County of Oakland)

The foregoing instrument has been subscribed and sworn to before me on this 16th day of November, 2020 by Michael B. Stephens, Authorized Representative of The Stephens Family 1996 Trust, Sole Member of Pontiac Investment Properties, LLC., a Michigan limited liability company.

Notary Public: _____
 Notary County: _____, State: _____
 Commission Expires: _____
 Acting In: _____