



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Mayor Deirdre Waterman

DATE: April 5, 2021

RE: ADMINISTRATIVE ADDENDUM

THE INTERIM CLERK DID NOT INCLUDE THE FOLLOWING AGENDA ITEM, WHICH WAS PROPERLY SUBMITTED BY THE MAYOR'S OFFICE.

TNV

attachments:



City of Pontiac, Michigan

Department of Finance

Mayor Deirdre Waterman

To: Anthony Chubb, City Attorney

From: Darin Carrington, Finance Director

Date: March 4, 2021

Re: Review of Expenses and Grant in Clerk's Office

The Finance Department has recently been forced to review a number of expenses and other items in the City Clerk's Office. More specifically, we have looked at expenditures that have been charged to the following budgets which the Interim City Clerk is responsible for as follows:

- Clerk's budget (Dept. 215)
- Elections budget (Dept. 191) (including the elections grant received by the Interim Clerk's Office in September 2020 from the Center for Tech and Civic Life)

This internal investigation was caused by the lack of responsive information from the Clerk's office and our discovery that election funds were spent on materials directly related to the status and processing of medical marijuana application, an act which may cause the fund created by application fees to be out of balance and subject to attack.

Several questions had been asked to the Interim Clerk to assist our Department in resolving this budgetary conflict and to protect the City from any exposure on the CTCL Grant, including but not limited to:

- What authority did you rely on to spend election funds for personal communications and information on medical marijuana?
- What attorney authored the opinion you have asserted in the medical marijuana newsletter, and under what authority did they act, and how were they compensated?
- Is your office intending to act independent of the Charter and pursue a legal position and budget position that is contrary to the legal authority granted to the City Attorney in the Charter?

The Interim clerk has not fully responded to our office, but we are providing this report based upon the information known, and basing our recommendations on that knowledge.

Center for Tech and Civic Life Grant

This grant was received by the City in September 2020 in the amount of \$405,564. The grant was received from the Center for Tech and Civic Life (CTCLG). This entity is a Chicago based group that is focused on expanding the election process to open and ease pathways to collect ballots and enhance voter count and participation. The purpose of the grant was for planning and operations for a safe election in 2020 during the public health crisis stemming from COVID-19.

Some of the budgeted expenses for the grant, as detailed in the City's application included temporary workers, website improvements, media campaign and ballot drop boxes. The total planned expenses based on the application made were a total of approximately \$405,000. An itemized breakdown of these expenses was provided in the initial application and is attached to this memo. There continues to be conflict with the Clerk's office in the manner in which website and other communications are completed including the dissemination of legal opinion that is contrary to the asserted and established position of the City. Those areas of conflict are not addressed herein, except to note the ongoing acts of the Clerk's office that are outside the scope of that office.

The funds for the grant were received by the City in September 2020. The grant had an expiration date of December 31, 2020. As stipulated in the grant, any unused funds would have to be returned to the Grantor. In December, the Interim Clerk provided an update to Council that he has/will be requesting an extension of the grant's December 31st deadline, but failed to provide this office timely and accurate information as to the intended use of the remaining grant funds, the process for the extension, fees or costs to be incurred, and other details that would assist this office in tracking and balancing the grant against the City's finances and accounting. As of that date, there was approximately \$165,000 in unspent funds. This extension would allow for the remaining funds to be spent past the December 31 deadline. On February 4, 2021, the Interim Clerk received a formal notice of extension of the grant from CTCLG. This extension provided that the remaining funds could be used through June 30, 2021.

After receiving appropriate information, we have reviewed the expenses that have been applied against the grant. Our Department has processed approximately \$240,000 in expenses from this grant to a number of different vendors. The reviewed expenses include payments to temporary workers, computers and equipment. In reviewing these expenses, we have compared the actual expenses against what was requested in the original grant application. Based on the review, the expenses that have been charged against the grant are consistent with what was requested and planned from the grant application and there are no apparent inconsistencies.

Our office would note that the City of Pontiac is the responsible fiduciary for this grant. It is our expectation that any requests for materials from a City Department must be provided by that Department. This is a key control for the Finance Department to ensure that the City is compliant with relevant policies, procedures and regulations. As detailed above, while the Interim Clerk has complied with several of our office's requests for important materials, there have been instances where our requests have gone unfulfilled or were not fulfilled at the time of request.

Department Expenses

Our Department has performed a general review of the expenses that have been charged to the two relevant departments during this fiscal year.

Of particular concern are questions regarding newsletters that have gone out of the Clerk's Office and that have been funded by the Interim Clerk's Elections budget. In the current fiscal year three newsletters were paid out by the Interim Clerk's Elections budget. Two of these newsletters were funded through the above referenced grant. Based on my review the expenses for the first two newsletters were expended as budgeted and in line with applicable City policies. The third newsletter was paid out of the Elections budget. The subject of this newsletter largely centered on the issue of the City's Marihuana Ordinance.

Marihuana Newsletter

This newsletter was sent by the Interim Clerk in November 2020 and was titled *Special Issue: Medical Marihuana*. We have looked at the expenses for this newsletter that were incurred with City vendor Oakland Strategies. Based on my review, the costs paid, approximately \$10,000, do not appear out of order for this type of purchase. The significant issue in this instance, however, is not the reasonableness of the expense, rather, that the expense relates directly to medical marijuana application matters. This expense would properly be paid from the fee account created from applicant fees for medical marijuana. The paying of this expense from an unrelated account may cause a deficiency in the applicant fund when properly corrected as all expenses for the processing and award of medical marijuana permits must be accounted from the applicant fund.

An additional issue of significance is the material that was communicated via this newsletter. The newsletter made certain representations about the City's Medical Marihuana Zoning Ordinance, zoning district boundaries and eligibility of certain applicants. Per the City Attorney's letter dated December 11, 2020, it found that a number of these representations were in direct conflict with City's official legal position. Additionally, this letter indicated that the material in this newsletter could subject the City to legal liability. There has been no offer of evidence as to where these incorrect legal positions derived, nor has there been an answer to how the Clerk's office will correct the improper statements. This may have further impact on the medical marijuana applicant fund as costs are incurred to correct these matters.

Recommendations

Based on our review as detailed above we are making the following recommendations:

- Written notice be provided to the Interim Clerk demanding that the newsletter expense be properly allocated, with a corrective resolution from Council, and further demanding that the Clerk's office provide written confirmation of its abide by the legal authority of the City Attorney as set forth in the Charter.
- Restatement of City policy be provided to the Interim Clerk identifying the requirement that approval of expenses and requisitions be approved prior to incurring or committing to any expenses
- Per the City Attorney's December 11, 2020 letter, any newsletters and mailings by the Interim Clerk will require a Resolution of approval by the City Council

- The Finance Department and staff will not approve or process any invoices for newsletters or mailings that do not have the Council Resolution as required by the City Attorney's letter of December 11, 2020
- The Finance Department will work with the City Attorney to ensure that any newsletters or mailings from the Interim Clerk are reviewed to ensure that the information contained within these mailings are consistent with the policies and legal opinions of the City
- The Finance Department staff will be provided with written notice of these new policies and processes to ensure that we are able to fully implement and comply with the proposed recommendation



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President Williams and City Council Members
FROM: Mayor Deirdre Waterman, City Attorney Anthony Chubb
DATE: March 31, 2021
RE: **Resolution to Adopt Finance Director Recommendations**

The purpose of this memorandum is to formally request the enforcement of the Finance Director's Report dated March 4, 2021, attached hereto, wherein the office reported concerns regarding certain expenditures within the clerk's office and the impact and effect of those actions.

As such, the following resolution is recommended for your consideration:

Whereas, the City's Finance Director conducted an internal investigation regarding the use of Election Funds for Medical Marijuana Application communications and other unrelated expenses; and

Whereas, the Interim City Clerk has failed to provide a complete response to the inquiries of the Finance Director and there remains an error in the authorization and proper budget allocations for the expenses; and

Whereas, the City Administration hereby requests that the City Council exercise its authority and enforce proper performance of duties by the Interim City Clerk and acknowledge and adopt the Recommendation of the City's Finance Director.

Now, Therefore Be It Resolved, that the City Council directs the following action:

- (1) Written notice be provided to the Interim Clerk demanding that the newsletter expense be properly allocated, with a corrective resolution from Council, and further demanding that the Clerk's office provide written confirmation of its abide by the legal authority of the City Attorney as set forth in the Charter.*
- (2) Restatement of City policy be provided to the Interim Clerk identifying the requirement that approval of expenses and requisitions be approved prior to incurring or committing to any expenses*
- (3) Per the City Attorney's December 11, 2020 letter, any newsletters and mailings by the Interim Clerk will require a Resolution of approval by the City Council*
- (4) The Finance Department and staff will not approve or process any invoices for*

newsletters or mailings that do not have the Council Resolution as required by the City Attorney's letter of December 11, 2020

- (5) The Finance Department will work with the City Attorney to ensure that any newsletters or mailings from the Interim Clerk are reviewed to ensure that the information contained within these mailings are consistent with the policies and legal opinions of the City*
- (6) The Finance Department staff will be provided with written notice of these new policies and processes to ensure that we are able to fully implement and comply with the proposed recommendation*



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

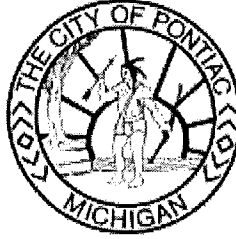
TO: Honorable City Council President and City Council Members

FROM: Mayor Deirdre Waterman

DATE: April 5, 2021

RE: ADMINISTRATIVE ADDENDUM

END OF ADMINISTRATIVE ADDENDUM



**NOTICE OF PONTIAC CITY COUNCIL MEETING
APRIL 6, 2021
at 6:00 p.m.**

THE MEETING WILL BE HELD ELECTRONICALLY

The City Council of the City of Pontiac will hold a Study Session on April 6, 2021 at 6:00 p.m. This meeting will be held electronically as allowed by the amended Open Meetings Act. The agenda for the Study Session is attached. The Pontiac City Council gives notice of the following:

1. **Procedures.** The public may view the meeting electronically through the following method.
<http://pontiac.mi.us/council/pontiactv/index.php>
2. **Public Comment.** For individuals who desire to make a public comment, please submit your name and comment in writing to publiccomments@pontiac.mi.us. Additionally, you may submit your public comment in writing directly to the Office of the City Clerk during regular business hours. All public comments must be received no later than 5:30 p.m. on April 6, 2021. Public comments are limited to three (3) minutes. The City Clerk will read your comments during the public comment section of the meeting.
3. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or clerk@pontiac.mi.us at least 24 hours in advance of the meeting.

Dated 4-1-2021, 5:00 p.m.
Garland S. Doyle, Interim City Clerk
City of Pontiac
47450 Woodward Ave. Pontiac, MI 48342 Phone: (248) 758-3200

PONTIAC CITY COUNCIL

Kermit Williams, District 7
President
Randy Carter, District 4
President Pro Tem



Patrice Waterman, District 1
Megan Shramski, District 2
Mary Pietila, District 3
Gloria Miller, District 5
Dr. Doris Taylor Burks, District 6

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Website: <http://pontiaccityclerk.com/city-council-meetings>

Garland S. Doyle, M.P.A.
Interim City Clerk

STUDY SESSION

April 6, 2021

6:00 P.M.

222nd Session of the 10th Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Approval of the Agenda

Approval of the Minutes

1. March 30, 2021

Public Comment

Agenda Items

Resolutions

Information Technology (IT)

2. Resolution to approve contract for new Ricoh Printers for 50th District Court, Ruth Peterson Senior Center, Bowens Senior Center and Pontiac Youth Recreation and Enrichment Center (PYREC)

Mayor's Office

3. Resolution to approve the purchase of 825 Golf Dr. as the Designated Facility PYREC Operations
4. Resolution to allocate a maximum of \$50,000 for a one-year contract for lobbying services related to the American Rescue Act and funding for Cities (**The resolution does not identify a lobbyist.**)

Mayoral Monthly Reports

5. Personnel Monthly Staff Report (**The report was not submitted.**)
6. Monthly Check Register (**The check registers for March 12 and 19, 2021 are attached. The check registers for February 12, 19 and 26, 2021; March 5 and 28, 2021 have not been posted on the website**)
7. City Credit Card Statement (**The statement was not submitted.**)

Adjournment

#1

MINUTES

March 30, 2021 Formal

**Official Proceedings
Pontiac City Council
221st Session of the Tenth Council**

Call to order

A Formal Meeting of the City Council of Pontiac, Michigan was called to order electronically, on Tuesday, March 30, 2021 at 6:00 p.m. by Council President Kermit Williams.

Invocation – Councilwoman Patrice Waterman

Pledge of Allegiance

Roll Call

Members Present

Carter
Miller
Pietila
Shramski
Waterman
Williams

Attendance

Remotely
Remotely
Remotely
Remotely
Remotely
Remotely

Location

Pontiac, Oakland County, MI
Pontiac, Oakland County, MI
Pontiac, Oakland County, MI
Pontiac, Oakland County, MI
Pontiac, Oakland County, MI
Pontiac, Oakland County, MI

Mayor Waterman was present.

Clerk announced a quorum.

Excuse Councilmembers

21-84 **Excuse Councilperson Doris Taylor-Burks for personal reasons.** Moved by Councilperson Pietila and second by Councilperson Waterman.

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

No: None

Motion Carried

Amendments to the Agenda

21-85 **Motion to move items 7-12 (#7- Resolution to extend Landlord Cares Act, #8- Resolution to adopt an Electronic Meeting Policy, #9 - Resolution to approve Humble Design as a non-profit in Pontiac, #10 - Resolution to authorize Mayor to sign MDOT Funding Agreement, #11- Resolution to approve establishment of an Industrial Development District (IDD) for 2100 S. Opdyke Road and #12 - Resolution to approve Speculative Building Design for 2100 S. Opdyke, LLC) before item #4. (Special Presentation on Medical Marihuana Review Process Update)** Moved by Councilperson Waterman and second by Councilperson Shramski.

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

No: None

Motion Carried

Approval of the Amended Agenda

21-86 **Motion to approve the Agenda as amended.** Moved by Councilperson Pietila and second by Councilperson Shramski.

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

No: None

Motion Carried

Approval of Minutes

21-87 **Approve meeting minutes for March 23, 2021.** Moved by Councilperson Waterman and second by Councilperson Shramski.

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

No: None

Motion Carried

Subcommittee Reports

Received Public Safety –March 12, 2021 report.

Councilwoman Doris Taylor-Burks arrived remotely from Pontiac at 6:08 p.m.

Discussion

City Council Special Committee on VEBA Implementation

The Council selected Council President Kermit Williams, Councilwoman Gloria Miller and Councilwoman Patrice Waterman to represent the City Council on the special committee.

Resolution

Building and Safety

21-88 **Resolution to extend Landlord Cares Act Program.** Moved by Councilperson Shramski and second by Councilperson Miller.

WHEREAS, the City of Pontiac in the midst of the Pandemic is offering relief for Qualifying Pontiac Landlords, and;

WHEREAS, the City of Pontiac would waive one time the rental inspection fee for Qualifying Landlords, and;

WHEREAS, the Mayor is proposing along with City Council to pass along this relief gesture to qualifying landlords until June 30, 2021,

NOW THEREFORE be resolved that the City Council in solidarity with the Mayor hereby authorizes the waiver of fees for qualifying landlords until June 30, 2021.

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

No: None

Resolution Passed

Councilwoman Doris Taylor-Burks was having technical difficulties

Resolution

City Attorney

21-89 **Resolution to adopt an Electronic Meeting Policy.** Moved by Councilperson Shramski and second by Councilperson Waterman.

WHEREAS, the Michigan Open Meetings Act allows meetings of a public body to be held electronically in some circumstances through December 31, 2021; and

WHEREAS, the local State of Emergency for the City of Pontiac as declared by Mayor Waterman on March 13, 2020 as a result of the global pandemic; and

WHEREAS, this Council is aware of rising COVID cases and hospitalizations and therefore reaffirms the existence of a local State of Emergency; and

WHEREAS, the local State of Emergency is an allowable circumstance to convene electronic meetings pursuant to Section 3a of the Open Meetings Act; and

WHEREAS, electronic meetings allow for review and participation of the public in meetings of the Pontiac City Council while also allowing social distancing during the pandemic;

NOW THEREFORE, the Pontiac City Council hereby reaffirms the existence of a local State of Emergency and further resolves to hold all Council Meetings electronically until further notice, but not to exceed the existence of the local State of Emergency; and further adopts the attached policy for the purpose of any electronically held meetings beginning April 1, 2021.

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

No: None

Resolution Passed

Councilwoman Doris Taylor-Burks was having technical difficulties

Resolution

City Clerk

21-90

Resolution to approve Humble Design, 180 N. Saginaw a 501(c)(3) nonprofit organization in Pontiac as a recognized nonprofit organization in the community for the purpose of obtaining a charitable gaming license. Moved by Councilperson Waterman and second by Councilperson Shramski.

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

No: Carter

Resolution Passed

Resolution

Department of Public Works (DPW)

21-91

Resolution to authorize the Mayor to sign MDOT Funding Agreement (Contract No. 21-5028) for the Construction of the W Walton Blvd Concrete Pavement Repair Project. Moved by Councilperson Waterman and second by Councilperson Pietila.

WHEREAS, The City of Pontiac has received the funding agreement from the Michigan Department of Transportation, and;

WHEREAS, The Department of Public Works, Engineering Division has reviewed the subject agreement, and;

WHEREAS, The project is budgeted in the 2021/22 Major Street budget,

NOW, THEREFORE, BE IT RESOLVED, The Pontiac City Council authorizes the Mayor to sign the MDOT funding agreement for construction of the W Walton Blvd Concrete Pavement Repair Project.

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

No: None

Resolution Passed

Resolutions

Economic Development

21-92

Resolution to approve the establishment of an Industrial Development District (IDD) for 2100 S. Opdyke Road. Moved by Councilperson Waterman and second by Councilperson Miller.

WHEREAS, pursuant to PA 198 of 1974, as amended (M.C.L.A. 207.551 et. seq.), after a duly noticed public hearing, held on March 16, 2021, this Pontiac City Council, by resolution, has the authority to establish an Industrial Development District, as defined in M.C.L.A. 207.553(2), within the City of Pontiac;

WHEREAS, 2100 S Opdyke, LLC ("**Petitioner**") is the owner of that certain real property located in the City of Pontiac and legally described below (the "**Property**");

WHEREAS, pursuant to M.C.L.A. 207.554(2), Petitioner is the owner of 100% of the state equalized value of the industrial property located within the proposed Industrial Development District;

WHEREAS, Petitioner has petitioned the Pontiac City Council to establish an Industrial Development District on the Property;

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility has not commenced at the time of filing the request to establish the proposed Industrial Development District;

WHEREAS, written notice has been given by certified mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Oakland Press and/or public posting of the hearing on the establishment of the proposed Industrial Development District;

WHEREAS, a public hearing was held on March 16, 2021 at which all owners of real property within the proposed Industrial Development District and all residents and taxpayers of the City of Pontiac were afforded an opportunity to be heard thereon; and

WHEREAS, the Pontiac City Council deems it to be in the public interest of the City of Pontiac to establish the Industrial Development as proposed:

NOW, THEREFORE BE IT RESOLVED, by the Pontiac City Council, that the following described parcel of landed situated in the City of Pontiac, Oakland County, and State of Michigan, to-wit:

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING PART OF LOTS 8 & 9, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2N., R. 10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED), T. 2 N., R. 10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S 00°36'21" W ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N 89°23'39" W 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE); THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 1331.66 FEET TO THE POINT OF BEGINNING; THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 728.35 FEET TO A POINT OF DEFLECTION; THENCE S. 00°24'47" E. ALONG THE WEST LINE OF OPDYKE ROAD, 901.82 FEET TO THE NORTHEAST CORNER OF UNIT 5 OF CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, A CONDOMINIUM ACCORDING TO THE MASTER DEED THEREOF RECORDED IN LIBER 16667, PAGE 11, OAKLAND COUNTY RECORDS, AND DESIGNATED AS OAKLAND COUNTY CONDOMINIUM PLAN NO. 1004, AND ANY AMENDMENTS THERETO, AS

LAST AMENDED BY EIGHT AMENDMENT TO MASTER DEED RECORDED IN LIBER 35596, PAGE 855, OAKLAND COUNTY RECORDS; THENCE THE FOLLOWING FIVE (5) COURSES ALONG THE NORTH LINE OF SAID UNIT 5 AND UNITS 21, 22, 40, AND 24 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM: (1) S 89°35'13" W 35.00 FEET, AND (2) N 00°24'47" W 20.00 FEET, AND (3) 210.91 FEET ALONG A CURVE TO THE LEFT (RADIUS 215.00 FEET, CENTRAL ANGLE 56°12'23", LONG CHORD BEARS S 61°29'01" W 202.56 FEET) TO A POINT OF REVERSE CURVATURE, AND (4) 226.24 FEET ALONG A CURVE TO THE RIGHT (RADIUS 225.00 FEET, CENTRAL ANGLE 57°36'46", LONG CHORD BEARS S 62°11'13" W 216.83 FEET), AND (5) N 89°00'24" W 706.20 FEET; THENCE N 00°59'36" E 1815.00 FEET; THENCE S 89°00'24" E 1080.90 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,939,980 SQUARE FEET OR 44.536 ACRES OF LAND.

SUBJECT TO ANY EASEMENT AND OR RIGHTS OF WAY RECORDED OTHERWISE.

is established as an Industrial Development District pursuant to the provisions of PA 198 of 1974, as amended, to be known as Oakland Logistics Industrial Development District.

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

No: Carter

Resolution Passed

21-93 **Resolution to approve Speculative Building Designation for 2100 S Opdyke Road.**
Moved by Councilperson Pietila and second by Councilperson Waterman.

WHEREAS, 2100 S Opdyke, LLC ("**Petitioner**") is the owner of that certain real property located in the City of Pontiac and legally described below, (the "**Property**").

WHEREAS, on December 8, 2020, Petitioner received Final Site Plan approval from the City of Pontiac Planning Division to construct an approximately 711,360 sq. ft. building (the "**Building**") for the purpose of providing a multi-tenant industrial facility on the Property;

WHEREAS, on March 30, 2021, the Pontiac City Council, acting under the authority of PA 198 of 1974, as amended (M.C.L.A. 207.551 et. seq.) , approved Resolution No. 21-92, designating the Property as an Industrial Development District;

WHEREAS, as of the date of this Resolution, Petitioner has not identified specific users for the Building;

WHEREAS, Petitioner has requested the Pontiac City Council to designate the Building as a multi-tenant Speculative Building, as defined in M.C.L.A. 207.553(8), and upon the conditions set forth in M.C.L.A. 207.559(4);

WHEREAS, as a condition of the adoption of this Resolution, the Building must be constructed less than nine (9) years before the filing of the application for the industrial facilities exemption certificate; and

WHEREAS, the Building otherwise qualifies under M.C.L.A. 207.559(2)(e).

NOW, THEREFORE BE IT RESOLVED, by the Pontiac City Council, that:

Section 1. The Building, to be located on the following described parcel of land situated in the City of Pontiac, Oakland County, and State of Michigan, to wit:

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING PART OF LOTS 8 & 9, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2N., R. 10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED), T. 2 N., R. 10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S 00°36'21" W ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N 89°23'39" W 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE); THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 1331.66 FEET TO THE POINT OF BEGINNING; THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 728.35 FEET TO A POINT OF DEFLECTION; THENCE S. 00°24'47" E. ALONG THE WEST LINE OF OPDYKE ROAD, 901.82 FEET TO THE NORTHEAST CORNER OF UNIT 5 OF CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, A CONDOMINIUM ACCORDING TO THE MASTER DEED THEREOF RECORDED IN LIBER 16667, PAGE 11, OAKLAND COUNTY RECORDS, AND DESIGNATED AS OAKLAND COUNTY CONDOMINIUM PLAN NO. 1004, AND ANY AMENDMENTS THERETO, AS LAST AMENDED BY EIGHT AMENDMENT TO MASTER DEED RECORDED IN LIBER 35596, PAGE 855, OAKLAND COUNTY RECORDS; THENCE THE FOLLOWING FIVE (5) COURSES ALONG THE NORTH LINE OF SAID UNIT 5 AND UNITS 21, 22, 40, AND 24 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM: (1) S 89°35'13" W 35.00 FEET, AND (2) N 00°24'47" W 20.00 FEET, AND (3) 210.91 FEET ALONG A CURVE TO THE LEFT (RADIUS 215.00 FEET, CENTRAL ANGLE 56°12'23", LONG CHORD BEARS S 61°29'01" W 202.56 FEET) TO A POINT OF REVERSE CURVATURE, AND (4) 226.24 FEET ALONG A CURVE TO THE RIGHT (RADIUS 225.00 FEET, CENTRAL ANGLE 57°36'46", LONG CHORD BEARS S 62°11'13" W 216.83 FEET), AND (5) N 89°00'24" W 706.20 FEET; THENCE N 00°59'36" E 1815.00 FEET; THENCE S 89°00'24" E 1080.90 FEET TO THE POINT OF BEGINNING. CONTAINING 1,939,980 SQUARE FEET OR 44.536 ACRES OF LAND. SUBJECT TO ANY EASEMENT AND OR RIGHTS OF WAY RECORDED OTHERWISE.

is hereby declared and approved as a multi-tenant Speculative Building pursuant to PA 198 of 1974, as amended (M.C.L.A. 207.551 et. seq.).

Section 2. The Building shall be designated as a multi-tenant Speculative Building for a period of twelve (12) years from and after its construction, unless revoked earlier as provided in M.C.L.A. 207.565.

Section 3. An application for Industrial Facilities Exemption Certificate may be submitted by the owner or lessee of the Building, as provided in M.C.L.A. 207.555.

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

No: None

Resolution Passed

Council President Williams left the meeting. Council President Pro-Tem Carter assumed the chair.

Special Presentations (presentations are limited to 10 minutes.)

Office of the City Clerk Medical Marihuana Review Process Update

Presentation Presenters: Garland Doyle, Interim City Clerk and Johnathan Starks, Special Assistant to the Clerk

Update Report on City of Pontiac Allotments received through Cares Act and American Rescue Plan

Presentation Presenters: Mayor Waterman, Linnette Phillips, Economic Development Director and Darin Carrington, Finance Director

Upcoming Infrastructure and Capital Improvements Projects for Calendar Year 2021

Presentation Presenters: Mayor Waterman, Dan Ringo, Interim DPW Director and Abdul Siddiqui, P.E., City Engineer

Public Comments

Two (2) individuals submitted public comments read by the City Clerk

Mayor, Clerk and City Council Closing Comments

Mayor Waterman, Interim Clerk Doyle, Councilwoman Pietila, Councilwoman Shramski and Council President Pro-Tem Carter made closing comments.

Adjournment

President Pro-Tem Randy Carter adjourned the meeting at 7:59 p.m.

GARLAND S DOYLE
INTERIM CITY CLERK

#2

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Council President and Members of the City Council Information Technology

FROM: Department

THRU: Office of Mayor Deirdre Waterman

DATE: April 6, 2021

RE: Ricoh Printers Contract for 50th District Court, Bowen Senior Center, Ruth Peterson Senior Center and Youth Recreation and Enrichment Center

Problem:

1. 50th District Court, Senior Centers, and Pontiac Youth Recreation and Enrichment Center have 12-year old Ricoh printers that are in constant need of repair.
2. Replacement parts are no longer available for the printers.
3. Departments have become reliant on desktop printers' because they cannot trust the reliability of the old Ricoh printers'.
4. Cost of printing to the smaller printers are four times more than the cost of printing to a Ricoh and printing is six times slower.

Solution:

1. Replace existing Ricohs with new models.
2. Use desktop printers only as a backup for the new Ricohs to save costs.
3. Do not replace existing desktop printers when they breakdown.

Costs:

1. We currently pay around \$1,476 a month. This includes what we pay for toner and maintenance on the old Ricohs and the cost of toners for the current desktop printers.
2. We will pay \$945.12 a month total to lease eight new Ricoh printers plus \$490.20 service costs (toner and on-site service) for a total of \$1,435.32 per month.
3. For \$40.68 less per month, we can get eight new Ricohs.
4. Ricoh has a contract that will buy our current fleet.
5. The lease is for 60 months. At the end of the 60 months, the city owns the new Ricohs.

Capabilities of new Ricoh printers that we currently do not have:

1. New Ricohs print 60 pages per minute.
2. You can scan directly from the printer to your home or shared drive.
3. Scan to USB flash drive.
4. Full 10.1" color touchscreen operation panel.
5. Besides staples, there is a staple less finishing feature. Some models will have a booklet maker and saddle stitching.
6. Scan to USB flash drive.
7. Wireless connectivity so you are not restricted to locations with a network port.
8. Mobile printing and scanning from tablets or smartphones.

Conclusion:

Whereas, 50th District Court, Bowen Senior Center, Ruth Peterson Senior Center and Pontiac Youth Recreation and Enrichment Center utilize Ricoh printers that are 12 years old; and

Whereas, Maintenance for these outdated printers' costs approximately \$1,476 per month; and


Whereas, the current vendor can replace these printers with new printers on a lease for \$1,435.32 per month, including maintenance; and

Whereas, at the end of the 60-month lease the City will own the printers;

Now Therefore, Be It Resolved that the Pontiac City Council approves the lease and maintenance of the new Ricoh printers at a rate of \$1,435.32 per month for a period of 60 months, and authorizes the Mayor to execute contracts necessary to complete the transaction.



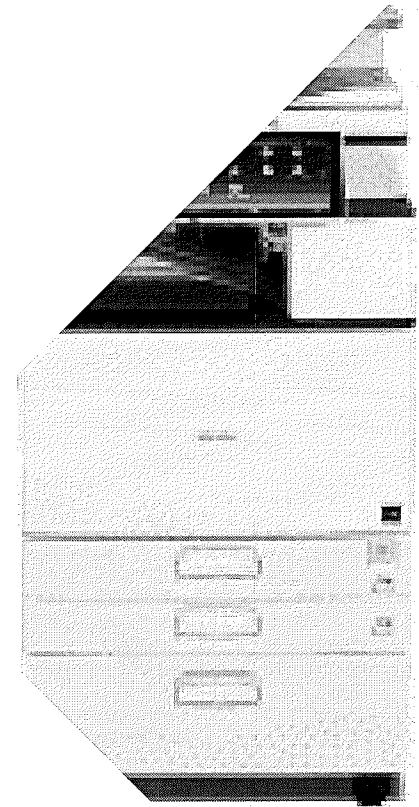
Hi and Welcome



The following
presentation is about
the old printers in
the Courthouse and
how they can be
replaced with better
and more reliable
Ricoh printers

The Courthouse Existing Ricoh Printers

- The existing printers are 12 years old
- Ricoh does not have replacement parts for printers
- Frequent jammed papers or offline errors when printing or faxing
- The monthly cost of maintenance is more expensive than the new printers' monthly cost

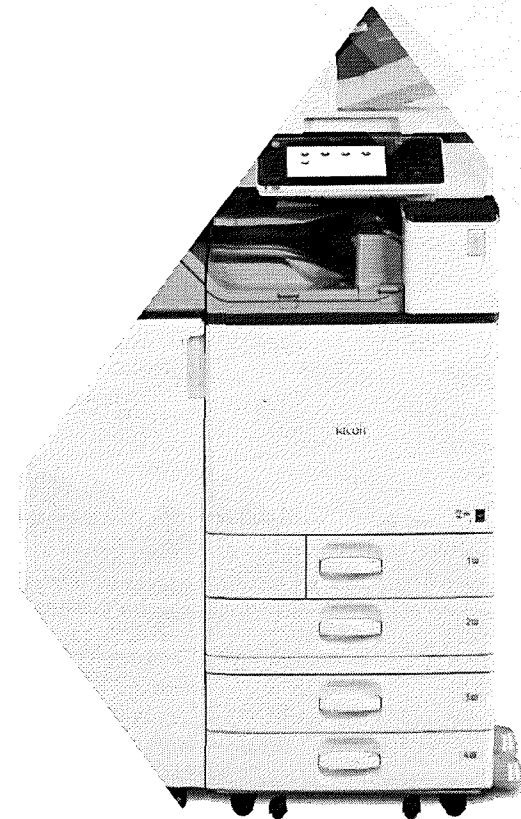


The Courthouse Existing Ricoh Printers

Departments have become reliant on desktop printers because they cannot trust that the reliability of the old Ricohs

Cost of printing to the smaller printers are four times more than the cost of printing to a Ricoh and six times slower

The Courthouse staff will end up saving money, down time, and frustration when it comes to printing and faxing documents



The New Ricohs

- The new printers are much faster and more reliable
- They include many features which will help staff to work faster
- New Ricohs print 60 pages per minute
- You can scan directly from the printer to your home or shared drive
- Full 10.1" color touchscreen operation panel
- Besides staples, there is a stapleless finishing feature. Some models will have a booklet maker and saddlestitching

The New Ricohs

Additional Features

- Scan to USB flash drive
- Wireless connectivity so you are not restricted to locations with a network port
- Mobile printing and scanning from tablets or smartphones
- The Courthouse staff will end up saving money, down time and frustration when it comes to printing and faxing documents

The New Ricohs

Cost

- 60 months Lease of \$473.77 per month per unit
- Gold Service - includes Parts, Labor, Toner and Staples, (excludes paper)
 - Cost of B&W copies \$0.0058 per page
 - Cost of Color copies \$ 0.045 per page

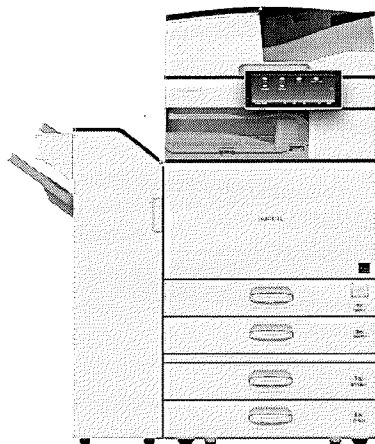


Thank you for your time



Created By: Kelvin Lester | Phone: (248)-882-4991 | Email: kelvin.lester@ricoh-usa.com

Your Configured Ricoh MP 5055



*Note: The image is a photo realistic illustration of your selected configuration.

DIMENSIONS

WIDTH	DEPTH	HEIGHT
45.30in	27.00in	47.60in
(1,151mm)	(686mm)	(1,209mm)

Actual dimensions may vary. These are approximate only.

POWER CONSUMPTION (MAIN UNIT)

110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)

Additional power requirements may apply.

Please read each option's description copy to see if additional power sources are needed.

Your Chosen Options

- MP 5055
- Paper Feed Unit PB3220
- One-Bin Tray BN3110
- Hybrid Finisher SR3210
- Bridge Unit BU3070
- Fax Option Type M29
- ESP XG-PCS-1SD



Main Unit

Main Unit		
Item/Description	Item #	Power Requirements
MP 5055	417766	110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)

Paper Tray & Optional Accessories

Item/Description	Item #	Power Requirements
Paper Feed Unit PB3220	417268	N/A

Output & Finishing Options

Internal		
Item/Description	Item #	Power Requirements
One-Bin Tray BN3110	417585	N/A
External		
Item/Description	Item #	Power Requirements
Hybrid Finisher SR3210	417483	N/A
Bridge Unit BU3070	417587	N/A

Fax Options

Item/Description	Item #	Power Requirements
Fax Option Type M29	418601	N/A


Security & Miscellaneous Accessories

Item/Description	Item #	Power Requirements
ESP XG-PCS-15D	006428MIU	N/A

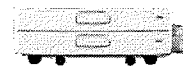


Main Unit

Main Unit

Item/Description	Item #	Thumbnail
MP 5055 <ul style="list-style-type: none">• Output Speed (Letter): 50-ppm• Recommended Monthly Volume: 15,000 impressions/month• Maximum Monthly Volume: 50,000 impressions/month• Power Requirements: 110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)• Weight: 168.6 lbs. (76.5 kg)• Dimensions include SPDF:<ul style="list-style-type: none">• W x D x H (inches): 23.1 x 26.9 x 37.9• W x D x H (mm): 586.74 x 683.26 x 962.66	417766	

Paper Tray & Optional Accessories

Item/Description	Item #	Thumbnail
Paper Feed Unit PB3220 <p>Provides an additional 1,100 sheets.</p> <p>Paper sizes up to 11" x 17".</p> <p>Paper weights up to 80 lb. Bond/166 lb. Index (300 g/m²).</p> <p>Weight: 48.5 lbs. (22 kg)</p> <p>W x D x H (inches): 23.1 x 27 x 9.7</p> <p>W x D x H (mm): 586.74 x 685.8 x 246.38</p> <p>Note: Paper Feed Unit PB3220 cannot be installed with Paper Feed Unit PB3250, Caster Table Type M3, LCIT PB3260, Cabinet Type F, or any related options.</p>	417268	

Output & Finishing Options

Internal

Item/Description	Item #	Thumbnail
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One-Bin Tray BN3110

Provides an additional output tray above the standard Internal Tray or optional Bridge Unit/Internal Finisher.

Holds 125 sheets.

Allows users to separate print/fax output from copy.

Supports paper sizes up to 11" x 17".

Weight: 3.1 lbs. (1.4 kg)

W x D x H (inches): 17.5 x 17.7 x 5.9

W x D x H (mm): 444.5 x 449.58 x 149.86

417585

**External**

Item/Description

Item #

Thumbnail

Hybrid Finisher SR3210

1,000-Sheet Hybrid Finisher.

For offices that produce collated and stapled sets of documents, the SR3210 helps shorten production time. It offers 50-sheet, multi-position stapling, mixed-size stapling, optional hole-punching, and shift-sort collating, as well as a staple-less binding capability of up to 5 sheets.

Supports paper sizes up to 11" x 17".

Weight: 60 lbs. (27 kg)

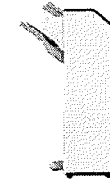
W x D x H (inches): 22.2 x 24.4 x 37.8

W x D x H (mm): 563.88 x 619.76 x 960.12

Note:

1. Bridge Unit BU3070 or Internal Multi-fold Unit FD3000 must be installed to add this option.
2. One of the following Paper Feed Units must be selected to add this finisher: Paper Feed Unit PB3220, LCIT PB3260, or Cabinet Type F.
3. Finisher SR3210 cannot be installed with Paper Feed Unit PB3250, Caster Table Type M3, Internal Finisher SR3130, Finisher SR3230, Booklet Finisher SR3220, Booklet Finisher SR3240, or any related options.

417483

**Bridge Unit BU3070**

A required accessory if the main unit is configured with an external finisher and not with the Internal Multi-Fold Unit FD3000. The Bridge Unit transports pages from the standard exit area into a Finisher for inline stapling or hole-punching.

Note:

This option or Internal Multi-fold Unit FD3000 must be installed when adding the following items: Finisher SR3210, Finisher SR3230, Booklet Finisher SR3220, or Booklet Finisher SR3240.

417587

**Fax Options**

Item/Description

Item #

Thumbnail

Fax Option Type M29

Installation required to enable fax services: 33.6 kbps, approximately 2 second transmission speed, standard JBIG, and standard 320 pages memory. Includes standard Internet Fax (T.37), LAN Fax, IP-Fax (T.38), Fax Forwarding to Email, and Paperless Fax function.

418601

Fax Destination

Enter fax destination with the Num

► Destination

912015551234

Time

Pause

Security & Miscellaneous Accessories

Item/Description

Item #

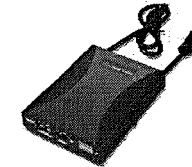
Thumbnail

ESP XG-PCS-15D

Designed to provide a higher level of noise filtering and surge protection for devices that employ more sensitive and complex electronic components.

Our Advanced Technical Support (ATS) recommends the use of power protection products to minimize potential electrical interference with products.

006428MIU



Ricoh is committed to creating value for our customers through the production of top quality products, services and solutions that directly meet the needs of today's communication intensive business environments. As a result, we offer a range of Multifunction products with advanced scanning and printing software options that help boost productivity and improve workflow by enhancing the user experience. Visit Ricoh-USA.com for more information.

We offer a variety of services and solutions to meet diverse and challenging business needs. To find out more information, visit solutions.ricoh-usa.com

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RICOH
imagine. change.



Quote Document for

CITY OF PONTIAC

Date: March 24,2021

<u>Quantity</u>	<u>Item Description</u>	<u>Ext Selling Price</u>
4	RICOH MP5055SP CONFIGURABLE PTO MODEL RICOH MP5055SP BRANDING SET PAPER FEED UNIT PB3220 1 BIN TRAY BN3110 FINISHER SR3210 BRIDGE UNIT BU3070 FAX OPTION TYPE M29	
4	TS NETWORK & SCAN CONNECT - SEG4	
28	TS-TRAINING ON-GOING TRAINING POOL OF HOURS GOOD FOR 60 MONTHS	
		60 month Lease of \$472.54 per month

Technology Service

60 Month Service Term

<u>Quantity</u>	<u>Description</u>	<u>Ext Rate</u>
4	RICOH MP5055SP CONFIGURABLE PTO MODEL	\$0.00
	<i>Includes</i> 0 B&W copies per Quarter per unit overages at \$0.0058 per page 0 color copies per Quarter per unit overages at \$ 0.0000 per page GOLD - includes Parts, Labor, Toner and Staples, excludes Paper	Per Quarter

Reservation of Rights—This quote is based upon the information provided by you, and the assumptions made by us in preparing the information contained herein. While care has been taken to ensure the accuracy of this quote, we make no representations or warranties about the accuracy, completeness or adequacy of the information contained herein, and shall not be liable for any errors or omissions. We recognize your right to negotiate and approve the terms of any resulting contract and we reserve the same right. We also acknowledge that all contract terms and conditions must be mutually agreed upon by both of us. THIS QUOTE IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT, NOR SHOULD IT BE CONSTRUED AS, AN OFFER TO SELL/LEASE THE GOODS OR SERVICES LISTED HEREIN.

Rev. 04/13	Quote Number 29129421	Expires on April 30,2021
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#3

RESOLUTION

MEMORANDUM

TO: HONORABLE DEIRDRE WATERMAN, MAYOR
MEMBERS OF PONTIAC CITY COUNCIL

FROM: GEORGE A. CONTIS, ESQ. / REAL ESTATE COUNSEL TO THE CITY OF PONTIAC
GIARMARCO, MULLINS & HORTON, P.C.

RE: PYREC LEASE - OPTION TO PURCHASE

DATE: APRIL 1, 2021

Madame Mayor and Members of City Council:

In 2018 the City entered into a 3 year Lease Agreement ("Lease") with Creative Schools Management LLC ("Landlord") to rent 825 Golf Drive for the use and operation of the Pontiac Youth Recreation Center ("PYREC"). The Lease commenced on **July 1, 2018** and it expires **June 30, 2021**. Dr. Carl Byerly is the Landlord's principal. A copy of the Lease is attached to this memorandum for your reference.

Section 13 of the Lease grants the City with two options to purchase the PYREC facility. The first option period began April 1, 2019 and ended June 30, 2019 without the City exercising its option. The second and final option period commenced January 1, 2021 and ends June 30, 2021 (the "Purchase Option"). The City's purchase price of 825 Golf Drive during the second option period is **\$2,850,000.00**. Council's approval is required to exercise the option to purchase.

At the request of City Administration, several members of the City Attorney's Office reached out to and spoke with Dr. Byerly on no fewer than a half dozen occasions in late 2020 and early 2021, in efforts to secure a short-term or long term extension of the expiring PYREC Lease. Despite our good faith efforts, Dr. Byerly expressed no interest in an extension of the Lease; he appears poised to retire from the Landlord business and intends on selling 825 Golf Drive to third parties who have expressed a desire to redevelop the Property if the City does not exercise its option to purchase.

If Council takes no action to exercise the option to purchase PYREC Dr. Byerly will list 825 Golf Drive for sale with a broker later this month. We are aware of at least two parties who have expressed interest to Dr. Byerly in purchasing 825 Golf Drive and converting the facility to senior housing.

While it is unlikely that a third party sale of 825 Golf Drive can be negotiated and closed before June 30, 2021, the City's occupancy of PYREC cannot be guaranteed after June 30, 2021. More importantly, without purchasing the facility the City would be without a viable recreation center for its youth, as the conversion of other City owned or controlled facilities cannot be facilitated in time and the cost of a complete renovation of those facilities for a youth recreation center far exceed the cost of purchasing 825 Golf Drive.

MEMORANDUM TO MAYOR AND COUNCIL

APRIL 1, 2021

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As a result of several recent discussions and confirming emails with Dr. Byerly, the City Attorney's Office has been able to secure a 21 day extension of the Exercise Notice Period (described and defined below).

Due to the notice requirements set forth in in Section 13 b. of the Lease (the "Exercise Notice"), the latest date that the City may provide its **Exercise Notice** to the Landlord is now **April 22, 2021**.

Should the City elect to exercise its option to purchase, following its timely delivery of its Exercise Notice, the following timeline and obligations are to be followed as modified by the above-referenced extension of the Exercise Notice period:

15 days after Exercise Notice	Landlord and City establish a commercial escrow with a title company of Landlord's choice. Following the preparation of the Option Purchase Agreement (discussed below) the title company will issue a title insurance commitment insuring title to the PYREC Facility which will be marked-up for the benefit of the City at Closing..
15 days after Exercise Notice	Complete the good faith negotiation of the Option Purchase Agreement not later than this date. The Option Purchase Agreement shall include a 30 day inspection period for the City to conduct inspections, environmental testing or obtain surveys and require the City's Deposit of the sum of \$300,000.00 with the title company.
15 days after Exercise Notice	The \$300,000.00 Deposit must be tendered to the Title Company on or before this date. The Deposit is refundable until the 30 day inspection period expires.
45 days after Exercise Notice	All inspections of the PYREC facility are completed by this date and the City either terminates the Option Purchase Agreement or proceeds to purchase the PYREC Facility.
46 days after Exercise Notice the Closing Date is established (in all events closing occurs on or before June 30, 2021)	The closing on the purchase of the PYREC Facility is consummated. The Lease is terminated on the Closing Date.
On or before the Closing Date	Landlord and the City enter into an Easement and Maintenance Agreement to create parking and ingress / egress rights over 819 Golf Drive for the benefit of PYREC.

I would be happy to discuss the contents of this Memorandum at Council's next regularly scheduled meeting on Monday March 30.

**LEASE AGREEMENT
(WITH PURCHASE OPTION)**

This Lease (hereinafter called the "Lease" or the "Agreement") is entered into as of the 1st day of July 2018, by and between Creative Schools Management, LLC located at 819 Golf Drive, Pontiac, MI (herein called "Lessor") and the City of Pontiac located at 47450 Woodward Ave., Pontiac, MI (herein called "Lessee"):

WITNESSETH: Lessor and Lessee agree as follows:

THE LEASED PREMISES

Subject to the terms of this Lease, during the Term, Lessor hereby does let and lease to Lessee the entire property known as **825 Golf Drive, Pontiac, MI 48341** (the "Building"), including, without limitation, the land and all improvements located thereon (along with the Building, the "Premises"). The definition of "Premises" also includes the use of the personal property items listed in the attached **Exhibit A**. Further, the leased Premises also includes the right of Lessee and its visitors to use the ingress/egress road which traverses the Adjacent Parcel (as defined below), and the entire parking lot servicing the Premises and the Adjacent Parcel. A drawing of the Premises, the Adjacent Parcel, the ingress/egress road, and the parking lot servicing the Premises and Adjacent Parcel is attached hereto as **Exhibit B**.

OCCUPANCY

Lessee is to have full and exclusive occupancy of the Premises (except to the extent the ingress/egress road and parking lot are shared with the Adjacent Premises). No other tenants will have any right to occupy the Premises (except to the extent the ingress/egress road and parking lot are shared with the Adjacent Premises)

LESSEE'S UTILITIES / MAINTENANCE

Lessee shall pay all charges for gas, water, sewer, electricity and heating service and all other utilities and services to the Premises (including monthly monitoring costs by ADT).

Lessee shall be responsible for maintenance, repair and replacement of the Building from the interior walls in, including custodial services, supplies, trash removal, a dumpster and disposal.

Lessee shall be responsible for contracting for maintenance of the lawn and landscaping of the leased Premises.

Lessee shall be responsible for snow and ice removal from the pavement, driveways, walkways and parking lots of the leased Premises, along with the shared ingress/egress road servicing the Premises and the Adjacent Parcel. Lessor grants to Lessee an easement over, on, and to the ingress/egress road for the purpose of complying with the maintenance requirements in this paragraph, and also for the purpose of permitting (but not requiring) Lessee to remove snow and ice from the parking lot at the Adjacent Parcel. Lessee's obligation to remove snow and ice from

MEMORANDUM TO MAYOR AND COUNCIL

APRIL 1, 2021

PAGE 4

the ingress/egress road shall cease if Lessor is no longer the owner of the Adjacent Parcel. If the Adjacent Parcel is leased to a third party tenant during the Term, that tenant shall have the obligation to remove snow and ice from the ingress/egress road and from the parking lot at the Adjacent Parcel.

Lessee shall be responsible for payment of regular, scheduled maintenance and minor repairs (\$2,000.00 or less per repair) of the HVAC/boiler units servicing the Building.

The foregoing, collectively, is referred to as Lessee's "Maintenance Obligations."

LESSOR'S MAINTENANCE

Except for the Maintenance Obligations, Lessor shall be responsible for the payment of all sums, and the maintenance, repair, and replacement of the Building and Premises, including, but not limited to the following:

Lessor shall be responsible for the payment of all costs to insure the Building and Premises (copies of policies and certificates shall be made available to Lessee).

Lessor shall be responsible for maintenance, repair, and replacement of the exterior walls of the Building, the roof, and any plumbing or utility lines servicing the Premises from the boundary of the Premises to the point of attachment on or in the Building.

Lessor shall be responsible for major repairs and replacement of the boiler unit servicing the Premises, if necessary.

TERM

The term of this Lease (the "Term") shall commence on July 1, 2018 ("Commencement Date") and expire on June 30, 2021 ("Expiration Date").

USE

The leased Premises are to be used and occupied for the purpose of operating a youth educational and recreational facility, and services and purposes reasonably ancillary thereto.

1. Lessee's Obligations

The Lessee hereby hires the leased Premises for the Term, and covenants:

a. Rent

(1) **Base Rent.** Commencing on the Commencement Date and continuing thereafter on or before the first day of each and every successive calendar month during the Term, Lessee shall pay to Lessor, in advance on the first day of each month, without further notice or demand and without offset, rebate, credit or

deduction for any reason whatsoever, the monthly installments of rent as follows ("Base Rent"): \$26,000. Total of annual base rent is \$312,000.00.

Base Rent and all other Rent due hereunder shall be paid to Lessor, without deduction or offset, in lawful money of the United States of America. Lessee shall pay the first full month of Base Rent to Lessor upon the mutual execution of this Lease.

(2) **Additional Rent.** In addition to Base Rent, Lessee covenants and agrees to pay as "Additional Rent," and without deduction or offset, all other sums payable under this Lease which, for the avoidance of doubt, are: (i) the Maintenance Obligations, (ii) the Reimbursable Expenses (as defined below), (iii) any late fees or interest charges, and (iv) any alterations to the Premises, as permitted hereunder. Base Rent and Additional Rent are sometimes referred to collectively herein as "Rent." Unless otherwise provided herein, items of Additional Rent shall become due and payable within five (5) days following written demand from Lessor.

(3) **General.** If at any time payment of the monthly rental amount reserved under this Section is more than five (5) days past due, Lessee shall pay Lessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, Lessee shall pay Lessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All checks shall be payable to "Creative Schools Management, LLC" and shall be mailed to:

Dr. Carl Byerly
4759 Owasco Court
Clarkston, MI 48348

- b. To use and occupy the leased Premises only for the purposes for which they are intended as per this Lease Agreement.
- c. To comply promptly, at Lessee's sole cost, with all lawful laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities affecting the leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990 42U.S.C. 12101-12213 (1991), as amended.
- d. To observe all reasonable regulations and requirements of insurance underwriters concerning the use and condition of the leased Premises tending to reduce fire

MEMORANDUM TO MAYOR AND COUNCIL

APRIL 1, 2021

PAGE 6

hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Premises. In addition, Lessee shall not allow the leased Premises to be used for any improper, immoral, or unlawful purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the leased Premises.

- e. Lessee shall keep the leased Premises in a clean, sanitary and safe condition at all times.
- f. If the nature of the Lessee's business requires licensure, Lessee shall keep in effect a valid license to operate the leased Premises for that purpose and provide Lessor with a current copy of the required license.
- g. By accepting delivery of the Premises, Lessee accepts the Premises as suitable for Lessee's intended use and as being in good and sanitary operating order, condition and repair, AS IS, and without representation or warranty by Lessor as to the condition, use or occupancy which may be made thereof (except as may be provided herein). Any exceptions to the foregoing must be by written agreement executed by Lessor and Lessee. Lessee acknowledges that neither Lessor nor any agent nor any employee of Lessor has made any representations, warranty, estimation or promise of any kind or nature whatsoever relating to the physical condition of the Premises, including, by way of example only, the fitness of the Premises for Lessee's intended use or the actual dimensions of the Premises and Lessee expressly warrants and represents that Lessee has relied solely on its own investigation and inspection of the Premises in its decision to enter into this Lease and let the Premises in an "AS-IS" condition.
- h. Lessee shall be liable for and shall pay directly to the taxing authority, prior to delinquency, all taxes levied against Lessee's personal property. If any alteration installed by Lessee or any of Lessee's personal property is assessed and taxed with the Premises, Lessee shall pay such taxes to Lessor within ten (10) days after delivery to Lessee of a statement.
- i. In connection with its operation of the Premises during the Term, Lessee shall:
 - a. Utilize the Premises for education and enrichment programming, whether produced by Lessee or by a third party ("Programming");
 - b. Ensure that the Premises offers Programming by or through an organization that is recognized as a school by the State of Michigan, Department of Education;
 - c. Offer Certificates of Completion for Programming produced by Lessee; and
 - d. Ensure that Programming is performed by instructors of appropriate training and qualification (and, where applicable, with certification as may be required by the State of Michigan, Department of Education).Except as set forth immediately above (or elsewhere in this Lease), Lessee shall have no particular obligations regarding the operation of the Premises.

2. **Lessor's Obligations**

The Lessor covenants that the Lessee, on payment of the Rent at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the leased Premises for the Term.

3. **Insurance and Indemnity**

a. **Indemnification/Liability:**

- (i) Lessee shall indemnify, defend (using counsel satisfactory to Lessor in its sole discretion) and hold harmless Lessor, and its affiliates, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) the occupancy, condition, operation or use of the leased Premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the leased Premises, (iii) use or misuse of any portions of the leased Premises by the Lessee or any of Lessee's respective agents, contractors, employees, visitors, and invitees, or (iv) Lessee's failure to perform its obligations under this Lease. The obligations of Lessee under this Section arising by reason of any occurrence taking place during the Term of this Lease shall survive any termination of this Lease.

Lessor shall indemnify, defend (using counsel satisfactory to Lessee in its sole discretion) and hold harmless Lessee, and its affiliates, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the leased Premises which is caused by Lessor or its agents (in whole or in part), or (ii) Lessor's failure to perform its obligations under this Lease. The obligations of Lessor under this Section arising by reason of any occurrence taking place during the Term of this Lease shall survive any termination of this Lease.

The Lessor will procure and keep in effect during the Term hereof commercial general liability insurance on an occurrence basis with limits of at least **Two Million Dollars (\$2,000,000.00) per occurrence**, with a **Two Million Dollar (\$2,000,000.00) annual general aggregate**. Such policy shall include coverage for bodily injury, property damage, Premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this Lease.

b. **Commercial Property Insurance:**

Lessor shall procure and pay for commercial property insurance for protection against perils included within the standard form of "all-risks" fire and casualty insurance policy on the Building in an amount not less than one hundred percent (100%) of its full replacement value from time to time during the Term.

c. Contents/Lessee Improvements:

Lessee shall be responsible for securing any insurance it deems advisable on its personal property, Lessee improvements, or for business interruption, and Lessor shall have no liability with respect to any loss which might have been covered by such insurance.

4. Alterations

Lessee may make no alterations, additions, or improvements to the leased Premises without the Lessor's prior written consent (which shall be given promptly, and not unreasonably withheld); *provided*, however, that Lessor shall be permitted to maintain the Premises in conformance with the requirements of this Lease, and Lessee shall be permitted to make *de minimis* alterations, additions, or improvements to the Premises (less than \$5,000.00 per occurrence). Notwithstanding the foregoing, no structural changes to the Premises shall be made without the Lessor's prior written consent (which shall be given promptly, and not unreasonably withheld). All such alterations, additions and improvements shall be at the expense of the Lessee and Lessee hereby indemnifies and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the leased Premises, said improvements, additions and alterations shall, at Lessor's option, become the property of the Lessor. Lessee shall promptly remove all such alterations, additions and improvements required by Lessor to be removed and Lessee shall restore the Premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the leased Premises made or placed by Lessee upon the leased Premises shall be the property of the Lessee, and the Lessee shall be permitted to remove the same at the end of the Term of this Lease, and Lessee agrees to repair any damage to the Premises or the Building incurred thereby.

If Lessor consents to Lessee's performance of any alteration or addition to the leased Premises ("Work"), Lessee shall ensure that the Work shall be made in accordance with all applicable laws, regulations and the building codes, in a good and workmanlike manner and in quality reasonably satisfactory to Lessor. In addition, prior to commencement of any Work, Lessee must submit to Lessor for approval, which approval Lessor may withhold in its sole and absolute discretion:

- (i) a complete set of plans and specifications prepared and sealed by a registered architect or engineer;
- (ii) a complete set of drawings and specifications for mechanical, electrical and plumbing systems; and

- (iii) a list of the contractors and subcontractors (together, "Contractors") who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as Lessor may reasonably require.

Lessor's approval of the foregoing items (i) through (iii) shall create no responsibility or liability on the part of Lessor for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities.

No person shall be entitled to any lien on the leased Premises because of any labor or material furnished to Lessee in connection with any alterations or improvements by Lessee, and nothing in this Lease shall be construed to constitute a consent by Lessor to the creation of any lien. If any lien is filed against the leased Premises as a result of a claim against Lessee for labor or material furnished to Lessee, Lessee shall cause the lien to be discharged of record within fifteen (15) days after filing, or notify the Lessor that there exists a good faith dispute concerning the lien for which Lessee is diligently pursuing resolution. If Lessee fails to cause the lien to be discharged within such time (or fails to notify Lessor of a good faith dispute), Lessor may, without the obligation to do so, payoff the lien and Lessee shall reimburse Lessor for all costs and expenses incurred by Lessor to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). Lessee shall indemnify Lessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

In the event Lessee fails to reimburse Lessor within thirty (30) days after receipt of Lessor's demand for reimbursement for any Lien Expense incurred by Lessor with respect to any lien ("Delinquency Date"), Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of five percent (5%) of the outstanding amount of the Lien Expense. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

5. **Eminent Domain**

If fifty percent (50%) or more of either the Premises is permanently taken for any public or quasi-public purpose by any lawful governmental power or authority, by exercise of the right of appropriation, inverse condemnation, condemnation or eminent domain, or sold to prevent such taking (each such event being referred to as a "**Condemnation**"), Lessor may, at its option, terminate this Lease as of the date title vests in the condemning party. If fifty percent (50%) or more of the Premises is taken and if the Premises remaining after such Condemnation, Lessee shall have the right to terminate this Lease as of the date title vests in the condemning party. If either party elects to terminate this Lease as provided herein, such election shall be made by written notice to the other party given within thirty (30) days after the nature and extent of such Condemnation have been finally determined. If neither Lessor nor Lessee elects to terminate this Lease to the extent permitted above, Lessor shall promptly restore the Premises, to the extent of any Condemnation award

received by Lessor, to substantially the same condition as existed prior to such Condemnation, allowing for the reasonable effects of such Condemnation, and a proportionate abatement shall be made to the Base Rent and all other sums owed hereunder corresponding to the time during which, and to the portion of the floor area of the Premises (adjusted for any increase thereto resulting from any reconstruction) of which, Lessee is deprived on account of such Condemnation and restoration, as reasonably determined by Lessor. Except as expressly provided in the immediately preceding sentence with respect to abatement of Base Rent, Lessee shall have no claim against Lessor for, and hereby releases Lessor and Lessor's agents from responsibility for and waives its entire claim of recovery for any cost, loss or expense suffered or incurred by Lessee as a result of any Condemnation, whether permanent or temporary, or the repair or restoration of the Premises following such Condemnation, including any cost, loss or expense resulting from any loss of use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by such Condemnation, repair or restoration.

Lessor shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection with any Condemnation, and Lessee shall have no claim against Lessor for the value of any unexpired term of this Lease or otherwise; provided, however, that Lessee shall be entitled to receive any award separately allocated by the condemning authority to Lessee for Lessee's relocation expenses or the value of Lessee's property (specifically excluding fixtures, alterations and other components of the Premises which under this Lease or by law are or at the expiration of the Term will become the property of Lessor), provided that such award does not reduce any award otherwise allocable or payable to Lessor.

6. Taxes

Any real property taxes assessed against the leased Premises shall be paid by Lessor; provided, however, that if the Premises loses its status as a school, and as a result, loses any favorable tax exemptions, the parties agree to split the cost of any increase in real property taxes (however, Lessee's contribution shall be capped at \$5,000.00 per year).

7. Assignment and Subletting

Lessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this Lease or any interest herein, or sublet the leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of Lessor, which consent shall be given promptly and shall not be unreasonably withheld. The consent by Lessor to an assignment or subletting shall not in any way be construed to release Lessee from obtaining the express consent of the Lessor to any further assignment or subletting of any part of the leased Premises nor shall the collection of rent by Lessor from any assignee, sub-lessee or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, sub-lessee or occupant as a lessee hereunder or a release of Lessee from the further performance by Lessee of the covenants in this Lease on Lessee's part to be performed. Whether or not Lessor consents to any proposed assignment or

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sublease, Lessee shall pay Lessor's reasonable attorneys' fees and costs incurred by Lessor (not to exceed \$1000) in evaluating any proposed assignment or sublease within thirty (30) days after written request by Lessee. Notwithstanding the foregoing, Lessee shall be permitted to assign or sublet space at the Premises to such of its affiliates or partners as might be necessary in order to comply with requirements of Section 1(i).

Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Lessor to withhold consent to any proposed assignment or sublease where one or more of the following apply: The transferee intends to use the Premises for purposes which are not permitted under this Lease; the transferee is a governmental agency or an instrumentality thereof (other than the City of Pontiac, Michigan); or the transferee is not a party of sufficient financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the transfer on the date consent is requested.

For purposes of this Lease, an assignment shall also include (i) if Lessee is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Lessee is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Lessee or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Lessee (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) a mortgage, hypothecation or pledge which results in a change in control of an aggregate of fifty percent (50%) or more of the voting shares of Lessee.

8. **Default**

The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this Lease by Lessee:

- a. if Lessee shall fail to pay rent or any other sum when and as the same becomes due and payable;
- b. if Lessee shall fail to perform or observe any other term hereof to be performed or observed by Lessee under this Lease;
- c. if Lessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties;

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- d. if this Lease or any estate of Lessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days;
- e. if Lessee vacates, abandons or deserts the leased Premises or Lessee fails to fully occupy the leased Premises for more than thirty (30) consecutive days; or
- f. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to Lessee's use and/or occupancy of the leased Premises, including, but not limited to, certificates of occupancy, business licenses or charters.

Upon the occurrence of an Event of Default: (i) for an Event of Default under 8a, Lessor shall provide Lessee with written notice of said Event of Default, and Lessee shall have seven (7) days to cure same; (ii) for an Event of Default under 8a through 8f, Lessor shall provide Lessee with written notice of said Event of Default, and Lessee shall have thirty (30) days to cure same (unless a cure cannot reasonably be effectuated in 30 days, in which case the time to cure shall be extended for a reasonable amount of time; provided, however, that Lessee is diligently pursuing a cure).

9. Remedies

Upon the occurrence of an uncured Event of Default, in addition to any other remedies which may be available to Lessor, Lessor may, at his option, after providing to Lessee any notice required under Michigan Law, do one or more of the following:

- a. Terminate this Lease and, upon such termination, this Lease shall come to an end and expire upon Lessor's termination, but Lessee shall remain liable for any damages Lessor may incur by reason of any default of the Lessee to comply with the terms and conditions of this Lease; and/or
- b. Either with or without terminating this Lease, Lessor may immediately or at any time after the uncured Event of Default or after the date upon which this Lease shall expire, reenter the leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefore), and may repossess the leased Premises and remove any and all of Lessee's property and effects from the leased Premises; and/or
- c. Either with or without terminating this Lease, Lessor may relet the whole or any part of the leased Premises from time to time, either in the name of Lessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Lease, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Lessor, in its sole discretion, may determine. In the event of any such reletting, Lessor shall not be liable for the failure to collect any rental due upon any such reletting, and no

such failure shall operate to relieve Lessee of any liability under this Lease or otherwise to affect any such liability; and Lessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the leased Premises as Lessor, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Lease or otherwise affecting such liability; provided, however, that Lessor shall, at all times, make a commercially reasonable effort to mitigate its damages; and/or

- d. Accelerate all Rent due for the balance of the Term of this Lease and declare the same to be immediately due and payable; and/or
- e. Lessor shall have the right to recover all amounts payable by Lessee hereunder as they become due and all other damages incurred by Lessor as a result of an uncured Event of Default including, without limitation, attorney's fees and costs; and/or
- f. Lessor may exercise any other right or remedy available at law or in equity.

10. Controlling Law; No Other Lease or Representatives

This Lease shall be governed by the laws of the State of Michigan. There are no understandings, Leases, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this Lease or any real or personal property leased hereunder.

11. Non-Waiver; Modifications

No waiver of any provision of this Lease, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due Lessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due Lessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this Lease shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

12. Notices

Whenever under this Lease provision is made for notice of any kind, unless otherwise expressly herein provided, it shall be in writing and shall be served personally, sent by registered or certified mail, with postage prepaid, or sent by Federal Express or other similar next business day air courier. Notice shall be deemed given upon personal delivery or one (1) business day following deposit with an air courier to the address of Lessor or Lessee, as the case may be, as stated below, or such other address as either of

the parties may subsequently designate in writing by notice to the other party in the manner required herein:

To the Lessor at:

Dr. Carl Byerly
4759 Owaseo Court
Clarkston, MI 48348

To the Lessee at: **The Premises**

With a required copy to:

Paul A. Thursam, Esq.
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Rd., Suite 1000
Troy, MI 48064

13. Purchase Option

Lessor hereby grants Lessee an option to purchase the Premises (the "**Purchase Option**") during the periods commencing as of April 1, 2019 and ending on June 30, 2019, and commencing as of January 1, 2021 and ending on June 30, 2021 (each an "**Option Period**"), on the terms and conditions set forth herein.

a. Consideration. The consideration for the Purchase Option will be the execution of this Lease. The parties expressly acknowledge and agree that such consideration is of significant value and that, based upon such adequate consideration, the Purchase Option is valid and fully enforceable.

b. Limitation on Option/Exercise of Option to Purchase. The Purchase Option shall be valid only if, at the time of exercise of the Purchase Option and as of the Close of Escrow (defined below), Lessee is not then in default under the Lease (following any applicable notice and cure period). If such condition is met (or expressly waived by Lessor), Lessee may, subject to the provisions of this Section, purchase the Premises by delivering to Lessor not more than two hundred seventy (270) days and not less than ninety (90) days advance written notice prior to the date selected by Lessee for the purchase of the Premises of the election to purchase ("**Exercise Notice**") in accordance with the notice provisions set forth herein. For clarity, the date selected by Lessee for the purchase of the Premises must occur during the Option Period.

c. Purchase Price. The purchase price for the Premises under the Purchase Option dated April 1, 2019 and ending on June 30, 2019 is \$3,150,000.00. The purchase price for the Premises under the Purchase Option dated January 1, 2021 and ending on June 30, 2021 is \$2,850,000.00 (each a "**Purchase Price**", as applicable). The Purchase Price will be paid, in full, in cash at Close of Escrow (as hereafter defined).

d. Escrow. Within thirty (30) days of the Exercise Notice, the parties will open escrow with the commercial escrow office of Lessor's choice ("**Escrow Holder**"). Lessor and Lessee will execute and deliver to Escrow Holder, in a timely manner, all escrow instructions and other documents reasonably necessary to consummate the transaction contemplated by the exercise of this Purchase Option.

e. Title. On the Closing, Lessor will convey title to the Premises together with all appurtenances, easements, development rights, contract rights, permits, tangible and intangible property relating to the Premises, mineral, oil, gas and other hydrocarbon substances on, in or under the land, and all air and water rights, beneficial easements, and rights of way pertaining thereto by good and sufficient Warranty deed, along with a bill of sale in the form and containing warranties in accordance with the customs in the County in which the Premises is located (the "**County**"), free and clear of all liens and encumbrances (except as waived by Lessee), but otherwise in its AS IS, WHERE IS, condition. Current real property taxes shall be prorated on a due date basis as of midnight on the date of Closing, as though said taxes were paid in advance.

f. Costs and Expenses. Any costs incurred through Escrow shall be allocated to Lessor or Lessee hereunder in the manner customary in the County. Lessor shall be responsible for payment of any transfer taxes, and for the cost of the title policy, conveying title to the Premises in the condition required in the Option Purchase Agreement (defined below) which, at a minimum, shall include: (i) a policy amount not less than the Purchase Price, and (ii) a policy delivered without standard exceptions (except as may be waived by Lessee).

g. Close of Escrow. For purposes of this Agreement, "**Closing**" and "**Close of Escrow**" will be defined as the date that the deed conveying title to the Premises is delivered to Lessee.

h. Execution of Option Purchase Agreement. Within thirty (30) days after the Exercise Notice, Lessor and Lessee shall negotiate in good faith and enter into a purchase agreement completed in accordance with this Section ("**Option Purchase Agreement**"). The amount of deposit shall be Three Hundred Thousand Dollars (\$300,000.00). The Option Purchase Agreement shall permit Lessee, within a 45-day period, to conduct due diligence of the Premises, title, environmental, survey, and any other matters customary for the purchase of real property, and the deposit shall be refundable to Lessee until the time for due diligence investigation expires.

i. Termination of Lease on Close of Escrow. After the delivery of the Exercise Notice, this Lease will continue in full force and effect until the Close of Escrow, and on the Close of Escrow, this Lease will terminate and the parties will be released from all future liabilities and obligations accruing under this Lease, except those which, by the provisions of this Lease, expressly survive the expiration or termination of the Term. Notwithstanding anything to the contrary contained in this Lease or the definitive purchase agreement, if the Close of Escrow is not consummated for any reason, including

default by Lessee, this Lease will remain in full force and effect. If the Close of Escrow is not consummated on account of a default by Lessee hereunder or under the Option Purchase Agreement, then for the avoidance of doubt, Lessee's right to the applicable Purchase Option shall automatically extinguish.

j. Memorandum of Option. Lessee shall be permitted, at its expense, to prepare and record with the appropriate Register of Deeds office a Memorandum of Option memorializing the agreements of the parties set forth in this Section. Any such recording shall not reference the Purchase Price.

k. Easement and Parking. Lessor is the owner of the immediately adjacent parcel, 819 Golf Drive (the "Adjacent Parcel"). As part of the consummation of the Purchase Option, Lessor and Lessee agree to execute an Easement and Maintenance Agreement that will provide, among other terms: (i) that Lessee shall be granted a perpetual, non-exclusive easement over the ingress/egress servicing the Premises, and the cost of maintaining the easement shall be shared by the Lessee and the owner of the Adjacent Parcel; and (ii) the creation of an perpetual, non-exclusive easement over and on the parking lot shared by the Premises and the Adjacent Parcel, which easement shall permit the visitors of both parcels to park anywhere on the parking lot (but maintenance shall not be shared; the parcels shall be responsible for the maintenance and repair of their respective portions of the parking lot). The Easement and Maintenance Agreement shall be recorded at Lessee's expense at the Close of Escrow. Lessor shall not sell, assign, or otherwise transfer any ownership in or to the Adjacent Parcel unless and until the Easement and Maintenance Agreement shall be prepared and recorded.

14. Damage / Destruction

If the Premises is damaged in whole or part by fire or other insured casualty, Lessor will give Lessee notice of the time which will be needed to repair such damage, as determined by Lessor in its sole discretion, and the election (if any) which Lessor has made according to this Section. Such notice will be given no later than the forty-fifth (45th) day (the "Notice Date") after the fire or other insured casualty.

a. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which may be repaired within ninety (90) days after the commencement of repair, as determined by Lessor, Lessor will repair the damage to the extent of available insurance proceeds. In that event this Lease will continue in full force and effect except that Base Rent will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the substantial completion of such repairs (the "Repair Period") in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage. Notwithstanding the foregoing, Lessor shall not be obligated to repair any damage which occurs within the last twenty-four (24) months of the Term, and if Lessor so elects not to repair, this Lease shall terminate on the Notice Date; provided, however, that Lessee shall automatically be granted a Purchase Option exercisable within seven

(7) days of receiving written notice of Lessor's election not to repair.

b. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which may not be repaired within ninety (90) days after the commencement of repair with available insurance proceeds, but which may be repaired within one hundred eighty (180) days after the commencement of repair with available insurance proceeds, as determined by Lessor, then, at Lessor's option, Lessor may repair such damage to the Premises. If Lessor elects to repair such damage, Base Rent will be abated during the Repair Period in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage. If Lessor does not elect to repair such damage, this Lease will terminate on the Notice Date.

c. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which cannot be repaired within one hundred eighty (180) days after the commencement of repair with available insurance proceeds, as determined by Lessor, then Lessor may cancel this Lease as of the date of such damage by written notice given to Lessee on or before the Notice Date. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which cannot be repaired within one hundred eighty (180) days after the commencement of repair, as determined by Lessor, then Lessee may cancel this Lease as of the date of such damage by written notice given to Lessor within ten (10) days after Lessor's delivery of a notice that the repairs cannot be made within such one hundred eighty 180 days. If neither Lessor nor Lessee so elects to cancel this Lease, Lessor will repair the Premises, and Base Rent will be abated during the Repair Period in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage.

d. Notwithstanding the provisions of subsections (a), (b) or (c) above, (i) if the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises, or if the Premises is damaged in whole or in part by an uninsured casualty, Lessor will have the option to repair such damage or terminate this Lease as of the date of such casualty by written notice to Lessee on or before the Notice Date; and (ii) if any such damage by fire or other casualty is the result of the willful misconduct, negligence or wrongful failure to act of Lessee or Lessee Parties, there will be no abatement of Base Rent as otherwise provided for in this Section, and Lessee shall pay, at Lessee's sole cost and expense, to Lessor upon demand, the difference between the cost of repairing the damage and the insurance proceeds received by Lessor, and Lessee shall not have any right to terminate this Lease. Lessor shall be deemed to have complied with the requirements of this Section as to the time of completion of repairs so long as Lessor makes diligent effort to complete the repairs in a reasonable amount of time. Lessor shall not be liable to Lessee or its employees, agents, contractors, invitees or customers for loss or damage to merchandise, tenant improvements, fixtures, automobiles, furniture, equipment, computers, files or other property located at the Premises (except

for Lessor's indemnification obligations set forth in Section 3). Lessee shall repair or replace all of Lessee's property and any Alterations at Lessee's sole cost and expense to the extent of insurance proceeds. Lessee acknowledges that it is Lessee's sole responsibility to obtain adequate insurance coverage to compensate Lessee for damage to Lessee's property and Alterations.

15. **Successors and Assigns**

This Lease and each of the covenants, conditions, and Leases contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, subject to the provisions as to assignment, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

16. **No Representations**

Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the Premises. This Lease is not made in reliance upon any representation whatsoever, except as may be provided herein.

17. **Security Deposit**

The Lessor herewith acknowledges the receipt of 1 month of rent (\$25,000.00), which he is to retain as security for the faithful performance of all of the covenants, conditions, and terms of this Lease, but in no event shall the Lessor be obliged to apply the same upon rents or other charges in arrears or upon damages for the Lessee's failure to perform said covenants, conditions, and terms; the Lessor may so apply the security at his option; and the Lessor's right to the possession of the Premises for non-payment of rent or for any other reason shall not in any event be affected by reason of the fact that the Lessor holds this security. The said sum, if not applied toward payment of rent in arrears or toward the payment of damages suffered by the Lessor by reason of the Lessee's breach of the covenants, conditions, and Leases of this Lease, is to be returned to the Lessee when this Lease is terminated, according to the terms, but in no event is the said security to be returned until the Lessee has vacated the Premises and delivered possession to the Lessor. In the event that the Lessor repossesses himself of the leased Premises because of the Lessee's default or because of the Lessee's failure to carry out the covenant, conditions, and terms of this Lease, the Lessor may apply the said security upon all damages suffered to the date of said repossession and may retain the said security to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Lessee's default or breach. The Lessor shall not be obliged to keep the said security as a separate fund, but may mix the said security with its own funds nor shall Lessor be required to obtain or account for any interest on said funds.

18. **Headings**

The headings of this Lease are for purposes of reference only and shall not limit or define

the meaning of any provisions of this Lease.

19. **Hazardous Materials**

- a. Lessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with Lessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper containers and shall be further protected against spills by secondary containment facilities. Lessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent Premises or into the ambient air. Lessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent Premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. Lessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. Lessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting Lessee's other indemnity or insurance obligations under this Lease. Lessee shall indemnify and hold harmless Lessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or about the Premises or any adjacent Premises pertaining to Hazardous Materials which results from the acts or omissions of Lessee, its agents, employees or invitees, during the Term hereof. The obligations of Lessee under this section shall survive the termination of this Lease.
- b. "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety or welfare, or to the environment, flammable explosives, petroleum fractions, pesticides, radioactive materials, regulated substances, hazardous or toxic substances, contaminating pollutants or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, and Rodenticide Act or the Michigan Environmental Response Act, and the regulations adopted and publications promulgated pursuant thereto, all as amended.

20. **Asbestos**

Lessee understands and agrees that it is Lessee's obligation to comply with those portions of Michigan's Asbestos in Educational Facilities Act ("AEFA"), the Federal Asbestos Hazard Emergency Response Act ("AHERA"), the Federal Occupational Safety and

Health Act ("OSHA") and the Michigan Occupational Safety and Health Act ("MIOSHA") which apply to it, including any and all regulations promulgated thereunder regulating asbestos-containing materials in any fashion whatsoever (collectively, the "Asbestos Regulations") with respect to the leased Premises. All obligations of Lessee under the Asbestos Regulations shall be performed by asbestos abatement contractors or such other persons as are trained and licensed to inspect, evaluate and abate asbestos-containing materials, or those materials that are suspected or presumed to contain asbestos. Lessee hereby indemnifies, defends and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Lessee's failure to comply with this Section and/or the Asbestos Regulations. Lessor represents and warrants that, as of the date of this Lease, the Building is in compliance with the Asbestos Regulations. Lessor hereby indemnifies, defends and holds Lessee harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Lessor's breach of the foregoing sentence.

21. Signs

Lessee has permission to erect an exterior sign on the property of the leased Premises advertising the Lessee's intended use. The size, type, design, legend, and location must be in compliance with all applicable laws and restrictions of record, including but not limited to, all applicable city ordinances. Lessee hereby acknowledges and agrees to maintain, at Lessee's sole cost and expense, any sign erected by Lessee pursuant to this Section in good repair and working order at all times. In addition, Lessee hereby agrees to indemnify, defend and hold Lessor harmless (using counsel of Lessor's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Lessee on the leased Premises or the maintenance thereof.

22. Lessor's Cure

All covenants, terms and conditions to be performed by Lessee under any of the terms of this Lease shall be at its sole cost and expense and without any abatement of rent. If Lessee shall fail to pay any sum of money, other than the payment of Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Lessor may, but shall not be obligated so to do, and without waiving or releasing Lessee from any obligations of Lessee, make any such payment or perform any such other act on Lessee's part to be made or performed as in this Lease provided. Lessee shall reimburse all sums so paid by Lessor and all necessary incidental costs related thereto ("Reimbursable Expenses") within fifteen (15) days of receipt of written notice from Lessor ("Delinquency Date") of the amount due. In the event Lessee fails to reimburse Lessor after receipt of Lessor's demand for Reimbursable Expenses, Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such costs, a late fee in the amount of ten percent (10%) of the outstanding amount of the cost. Acceptance of the late fee or interest under this Section shall in no event constitute a

waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All Reimbursable Expenses shall be deemed Additional Rent, and Lessor shall have (in addition to any other right or remedy of Lessor) the same rights and remedies in the event of the nonpayment thereof by Lessee as in the case of default by Lessee in the payment of rent.

23. **Lessor's Rights and Non-liability**

- Lessor shall have the right from time to time, with at least 24-hours notice to Lessee, to inspect the leased Premises to confirm Lessee's compliance with this Lease.
- Lessor shall not be responsible or liable to Lessee for:
 - any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining parcels; or
 - any loss or damage resulting to Lessee or its property from theft or a failure of the security systems, if any, in the structures or improvements on the leased Premises; or
 - or any damage or loss of property within the leased Premises from any cause other than solely by reason of the willful acts or omissions of Lessor or its agents, or Lessor's default under this Lease beyond any applicable cure period, and no such occurrence shall be deemed to be an actual or constructive eviction from the leased Premises or result in an abatement of rents.

If Lessor shall fail to perform any covenant, term or condition of this Lease upon Lessor's part to be performed, Lessee shall give Lessor notice of such default and ten (10) days in which to cure such default; provided, if such cure cannot be reasonably completed within such 10-day period, then Lessor shall have such additional time as necessary to cure so long as Lessor commences to cure within such 10-day period and diligently prosecutes such cure to completion. If as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only against the right, title and interest of Lessor in the leased Premises and out of rents or other income from the leased Premises by Lessor, or out of the consideration received by Lessor from the sale or other disposition of all or any part of Lessor's right, title and interest in the leased Premises, and Lessor shall not be liable for any deficiency. Under no circumstances shall any present or future partner of Lessor (if Lessor is a partnership), future member or manager in Lessor (if Lessor is a limited liability company), affiliate of Lessor, or trustee or beneficiary (if Lessor or any partner or member of Lessor is a trust) (collectively, "Lessor Parties"), have any liability for the performance of Lessor's obligations under this Lease. Notwithstanding any contrary provision herein, neither Lessor nor the Lessor Parties shall be liable under any circumstances for injury or damage to, or interference with Lessee's business, or consequential damages, including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring; provided, however, that the foregoing limitation shall not apply to Lessor's indemnification obligations herein.

24. **Transfer of Leased Premises by Lessor Prohibited**

As long as Lessee's Purchase Options (or any one of them) remain outstanding, Lessor shall have no right to sell, assign, or otherwise transfer its interest in the Premises without Lessee's consent. If such a sale, assignment, or transfer is permitted by Lessee, Lessor shall automatically be relieved of any obligations or liabilities on the part of Lessor accruing from and after the date of such transfer and Lessee covenants and agrees to recognize the transferee as the Lessor under this Lease. Under no circumstances will Lessee permit a sale, assignment, or transfer of any interest in the Premises unless Lessee's Purchase Options as described herein are preserved.

25. **Subordination and Non-Disturbance**

This Lease and the rights of the Lessee hereunder are hereby made subject to and subordinate to all mortgages now or hereafter placed upon the leased Premises. Lessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this Lease to the lien of any such mortgage or mortgages. In addition, Lessee agrees that, upon the request of Lessor or any mortgagee of Lessor, Lessee shall execute a commercially reasonable estoppel certificate on demand in form satisfactory to Lessor or any mortgagee of Lessor. Further, Lessee agrees to attorn to Lessor's lender in the event of a foreclosure. In exchange for Lessee's subordination and attornment as provided in this Section, Lessor agrees (on its behalf and on behalf of its lender) that Lessee's possession of the Premises under this Lease and Lessee's rights and privileges thereunder shall not be diminished or interfered with by Lessor's lender, and Lessee's occupancy of the Premises shall not be disturbed by Lessor's lender during the Term of the Lease or any extensions or renewals thereof. Both Lessee and Lessor agree that they will cooperate in executing a commercially reasonable Subordination and Non-Disturbance Agreement at the request of Lessor's lender.

26. **Attorneys' Fees**

If either party hereto fails to perform any of its obligations under this Lease or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Lease, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

27. **Holdover**

Lessee shall surrender the Premises to Lessor upon the expiration or earlier termination of this Lease in good order and condition, reasonable wear and tear excepted, and otherwise in compliance with the terms of this Lease. Any holding over after the expiration of the Term, without the express written consent of Lessor, shall constitute an

Event of Default and, without limiting Lessor's remedies provided in this Lease, such holding over shall be construed to be a tenancy at sufferance, at a rental rate equal to one hundred fifty percent (150%) of the Base Rent last due in this Lease, plus Additional Rent, and shall otherwise be on the terms and conditions herein specified, so far as applicable; provided, however, that in no event shall any renewal or expansion option, option to purchase, or other similar right or option contained in this Lease be deemed applicable to any such tenancy at sufferance. If the Premises are not surrendered at the end of the Term or sooner termination of this Lease, Lessee shall indemnify, defend and hold Lessor harmless from and against any and all loss, direct or indirect damages or liability resulting from delay by Lessee in so surrendering the Premises including, without limitation, any loss or liability resulting from any claim against Lessor made by any succeeding tenant or prospective tenant founded on or resulting from such delay and losses to Lessor due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

28. Jury Waiver

LESSOR AND LESSEE 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 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 LEASE.

29. Brokers

Lessor and Lessee each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker in the negotiating or making of this Lease, and each party agrees to indemnify and hold harmless the other from any claim or claims, and costs and expenses, including attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any other broker or brokers to a commission in connection with this Lease as a result of the actions of the indemnifying party.

30. Financial Statements

Within ten (10) days after Lessor's request, Lessee shall deliver to Lessor the then current financial statements of Lessee (including interim periods following the end of the last fiscal year for which annual statements are available, if such statements are prepared), prepared or compiled by a certified public accountant, including a balance sheet and profit and loss statement for the most recent prior year.

31. Mortgage Protection

If, in connection with obtaining financing for the Premises or any portion thereof, Lessor's lender or investor shall request reasonable, *de minimus* modifications to this Lease, Lessee shall not unreasonably withhold, delay or defer its consent to such modifications, provided that such modifications do not adversely affect Lessee's rights or increase Lessee's obligations under this Lease. Lessee shall give to any trust deed or mortgage holder ("**Holder**") at the same time as it is given to Lessor, a copy of any notice of default given to Lessor, provided that, prior to such notice, Lessee has been notified, in writing (by way of notice of assignment of rents and leases, or otherwise) of the address of such Holder. Lessee further agrees that if Lessor shall have failed to cure such default within the time provided for in this Lease, then the Holder shall have an additional twenty (20) days after expiration of such period, or after receipt of such notice from Lessee, whichever shall last occur within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such twenty (20) days, any Holder has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated.

32. Construction

This Lease shall be construed and interpreted in accordance with the laws of the State where the Premises is located. No rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Lease, including the Exhibits attached hereto. All captions in this Lease are for reference only and shall not be used in the interpretation of this Lease. Whenever required by the context of this Lease, the singular shall include the plural, the masculine shall include the feminine, and vice versa. If any provision of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Lessee or by any one acting through, under or on behalf of Lessee, and the recording thereof in violation of this provision shall make this Lease null and void at Lessor's election.

33. Counterparts

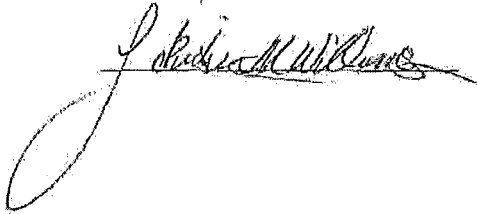
This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. This Lease may be executed by Lessor or Lessee and delivered to the other party in PDF, facsimile or similar electronic format shall be binding on the party delivering the executed document with the same force and effect as the delivery of a printed copy of the document with an original ink signature.

MEMORANDUM TO MAYOR AND COUNCIL
APRIL 1, 2021
PAGE 25

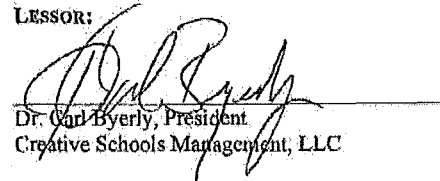
[SIGNATURE PAGE FOLLOWS]

In witness whereof, the parties hereto have executed this Lease the day and year first written above.

IN THE PRESENCE OF:



LESSOR:


Dr. Carl Byerly, President
Creative Schools Management, LLC

IN THE PRESENCE OF:

LESSEE:

City of Pontiac
Mayor

MEMORANDUM TO MAYOR AND COUNCIL

APRIL 1, 2021

PAGE 27

In witness whereof, the parties hereto have executed this Lease the day and year first written above.

IN THE PRESENCE OF:

LESSOR:

Dr. Carl Byerly, President
Creative Schools Management, LLC

IN THE PRESENCE OF:

LESSEE:

Sharryl R. Alfred

Sharryl R. Alfred
City of Pontiac
Mayor

EXHIBIT A

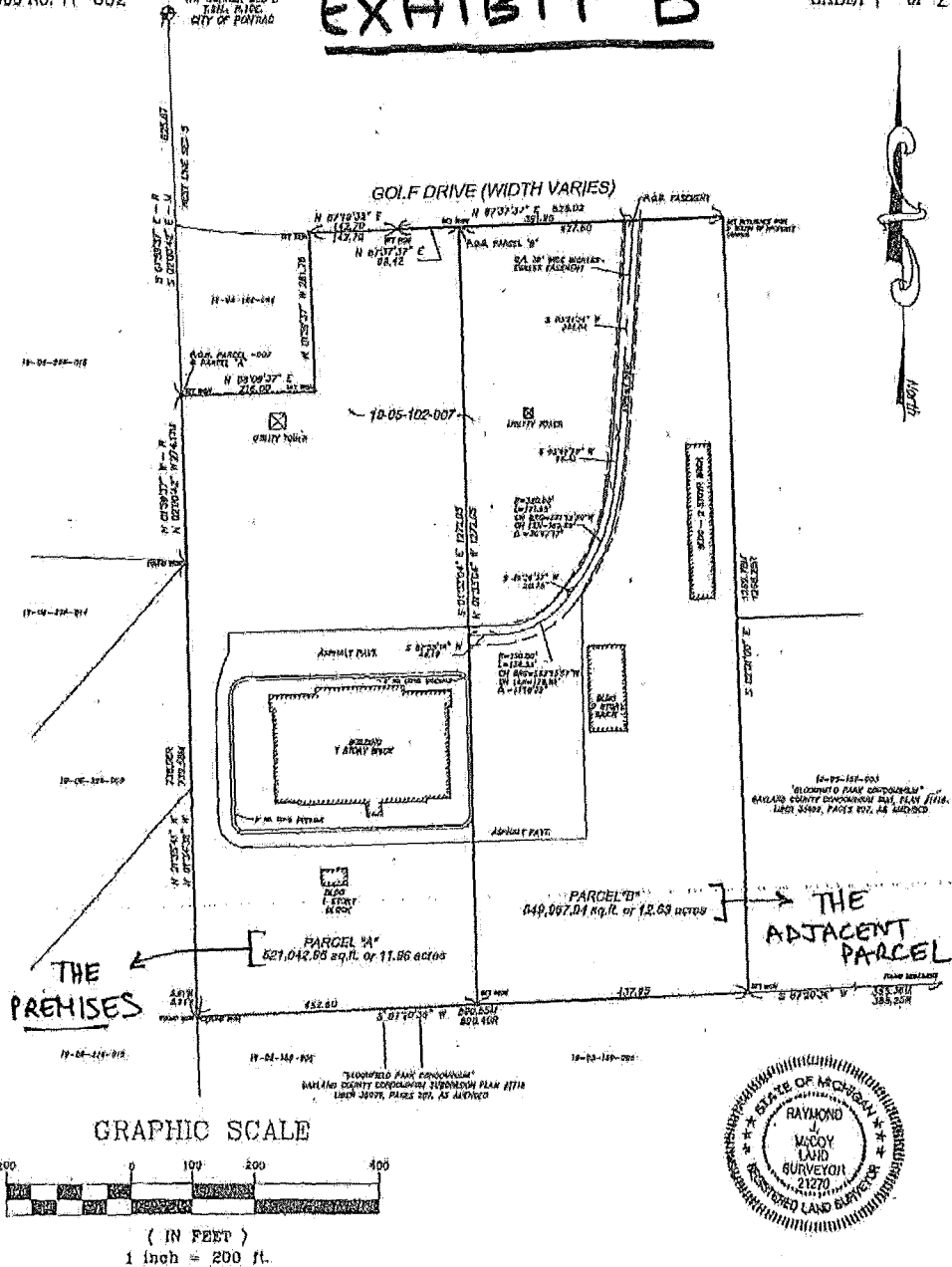
1. Principal Office - Conference Table with 4 padded chairs and 4 wooden chairs
2. Tech Room - 3 wood tables
3. Front Office - Steel Desk with 2 wood chairs and file cabinet
4. Gym - 2 Vending Machines and 2 glass display cases; sound system; scoreboard
5. Front office - Wood desk and 3 chairs
6. Front Office - 2 wood tables and 2 wood chairs
7. Front Office - Wood Table, 4 wood chairs, moon table 7 tall cabinet
8. Front East Classroom - 10 Rectangular Wood tables (4 belong to JIA) and 70 small elementary plastic chairs
9. Room 18 - 3 file cabinets, 2 teacher desks, & 5 student desks
10. Room 106 -
 - A. 35 Elementary Desk / Chair combo units
 - B. 22 Elementary Blue plastic chairs
 - C. 26 Elementary Gray small hard plastic chairs
 - D. 10 Middle School Hard Plastic chairs
 - E. 15 Upper Elem. Adjustable desks
 - F. 2 science lab tables
 - G. 3 Steel Office Desks
 - H. 2 Middle School Desk / Chair combo units
 - I. 3 File Cabinets
 - J. 2 Wooden Classroom Tables
11. Choir Room - 2 Pianos, Choir risers (4 sections) 12 music stands
12. Band Room - 1 Piano and Music storage cabinet
13. Dance Room - Ballet Bars (4 sets) and file cabinet
14. Fireplace Room - 4 large book shelves, 2 wooden office desks, 4 wood chairs & 1 wood table
15. Room 210 - Wooden teacher desk and 4 moon shaped tables
16. Room 208 - 17 Middle School desk / chair combo units, teacher's desk & file cabinet
17. Room 209 - 12 Middle School Chairs (peach color) & wooden teacher desk
18. Room 206 - (25 Middle School desk / chair combo units belong to JIA), Adult wood desks and file cabinet
19. Room 207 - 5 wood science tables
20. Room 205 - 11 Middle School desk / chair combo units
21. Room 203 - Wood Table
22. Room 201 - (computer lab) 7 computer tables (assorted) (2 belong to JIA) & 20 chairs
23. Teacher's lounge - refrigerator, 4 wood tables, microwave & 20 chairs
24. Kitchen - 2 commercial gas stoves, etc.

Job No. 11-032

NW CORNER SEC 2
 T.24N. R.10E.
 CITY OF PONTIAC

EXHIBIT B

SHEET 1 of 2



Job No. 11-032

LEGAL DESCRIPTIONS

SHEET 2 of 2

LEGAL DESCRIPTION PARCEL 19-05-102-007

PART OF THE NORTHWEST 1/4 OF SECTION 8, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 8, SAID POINT BEING S02°04'42"E (RECORDED AS S01°59'37"E), 825.87 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE N08°09'37"E, 210.00 FEET; THENCE N01°59'37"W, 201.76 FEET; THENCE N07°10'32"E, 142.70 FEET; THENCE N07°10'37"E, 528.02 FEET; THENCE S02°01'00"E, 1288.78 FEET (RECORDED AS 1288.28 FEET), TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 3502X, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°20'38"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 830.85 FEET (RECORDED AS 830.40 FEET) TO A POINT, SAID POINT BEING 5.91 FEET (RECORDED AS 5.94 FEET) FROM THE WEST LINE OF SAID SECTION 8; THENCE N01°34'30"W, 738.88 FEET (RECORDED AS N01°35'41"W, 738.01 FEET) TO A POINT ON THE WEST LINE OF SAID SECTION 8; THENCE N02°00'42"W ALONG SAID WEST LINE, 274.17 FEET (RECORDED AS N01°59'37"W); TO THE POINT OF BEGINNING, CONTAINING 84.80 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION PARCEL "A" - THE PREMISES

PART OF THE NORTHWEST 1/4 OF SECTION 8, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 8, SAID POINT BEING S02°04'42"E (RECORDED AS S01°59'37"E), 825.87 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE N08°09'37"E, 210.00 FEET; THENCE N01°59'37"W, 201.76 FEET; THENCE N07°10'32"E, 142.70 FEET; THENCE N07°10'37"E, 528.02 FEET; THENCE S01°35'04"E, 1272.03 FEET, TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 3502X, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°20'38"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 452.80 FEET TO A POINT, SAID POINT BEING 5.91 FEET (RECORDED AS 5.94 FEET) FROM THE WEST LINE OF SAID SECTION 8; THENCE N01°34'30"W, 738.88 FEET (RECORDED AS N01°35'41"W, 738.01 FEET) TO A POINT ON THE WEST LINE OF SAID SECTION 8; THENCE N02°00'42"W ALONG SAID WEST LINE, 274.17 FEET (RECORDED AS N01°59'37"W) TO THE POINT OF BEGINNING, CONTAINING 11.00 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION PARCEL "B" - THE ADJACENT PARCEL

PART OF THE NORTHWEST 1/4 OF SECTION 8, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT LOCATED S02°04'42"E (RECORDED AS S01°59'37"E), 825.87 AND N08°09'37"E, 210.00 FEET AND N01°59'37"W, 201.76 FEET AND N07°10'32"E, 142.70 FEET AND N07°10'37"E, 528.02 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE CONTINUING N07°10'37"E, 427.60; THENCE S02°01'00"E, 1288.78 FEET (RECORDED AS 1288.28 FEET), TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 3502X, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°20'38"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 437.85 FEET; THENCE N01°34'30"W, 1472.03 FEET TO THE POINT OF BEGINNING, CONTAINING 12.63 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION 30' WIDE EGRESS-EGRESS EASEMENT

PART OF THE NORTHWEST 1/4 OF SECTION 8, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT LOCATED S02°04'42"E (RECORDED AS S01°59'37"E), 825.87 AND N08°09'37"E, 210.00 FEET AND N01°59'37"W, 201.76 FEET AND N07°10'32"E, 142.70 FEET AND N07°10'37"E, 528.02 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE S03°21'34"W, 342.04; THENCE S08°49'20"W, 46.33 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 171.93 FEET, SAID CURVE HAVING A RADIUS OF 320.00 FEET, A CENTRAL ANGLE OF 30°47'17", AND A CHORD BEARING S21°12'59"W, 169.89 FEET; THENCE S30°35'37"W, 20.23 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 134.33 FEET, SAID CURVE HAVING A RADIUS OF 150.00 FEET, A CENTRAL ANGLE OF 81°18'30", AND A CHORD BEARING S87°55'18"W, 123.89 FEET; THENCE S87°55'18"W, 46.19 FEET TO THE POINT OF ENDING.

Raymond J. McCoy
Registered Land Surveyor # 21270





CITY OF PONTIAC CITY COUNCIL

**RESOLUTION TO APPROVE EXERCISE OF OPTION FOR PURCHASE OF 825
GOLF ROAD**

AT A REGULAR meeting of the Pontiac City Council of the City of Pontiac, Michigan, held via Zoom on April 6, 2021, the following resolution was offered by _____ and supported by _____.

Whereas, a certain Lease Agreement (with Purchase option) dated July 1, 2018 was entered into between Creative School Solutions Management, LLC as Landlord and the City of Pontiac as Tenant for the 3 year lease by the City of the premises commonly known as 825 Golf Road, and within which the City has operated its youth center (the "Lease") which Lease expires on June 30, 2021; and

Whereas, Section 13 of the Lease grants the City with two options to purchase 825 Golf Drive from the landlord; the first option period began April 1, 2019 and ended June 30, 2019 without the City exercising its option; and the second and final option period commenced January 1, 2021 and ends June 30, 2021 (the "Purchase Option"); and

Whereas, the City's purchase price of 825 Golf Drive during the second option period is **\$2,850,000.00** per Section 13 of the Lease; and

Whereas, it is in the best interests of the City to maintain a youth center for the City's youth to safely and freely congregate and enjoy supervised physical activity; and

Whereas, the purchase of 825 Golf Drive is in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED that the City Council does hereby Authorize the Mayor to submit the required Offer Notice , as set forth in Section 13 of the Lease, to authorize the office of the City Attorney to negotiate a purchase agreement with the landlord consistent with Section 13 of the Lease, and if due diligence reviews do not disclose any serious deficiencies to the building; to close on the purchase of 825 Golf Drive on or before June 30, 2021.

PASSED AND APPROVED BY THE CITY COUNCIL, Pontiac, Michigan, this 6th day of April 2021.

AYES: _____

NAYS: _____

I, Garland Doyle, Interim Clerk of the City of Pontiac, hereby certify that the above Resolution is a true copy and accurate copy of the Resolution passed by the City Council of the City of Pontiac on April 6, 2021.

GARLAND DOYLE, City Clerk

Dated: _____, 2021



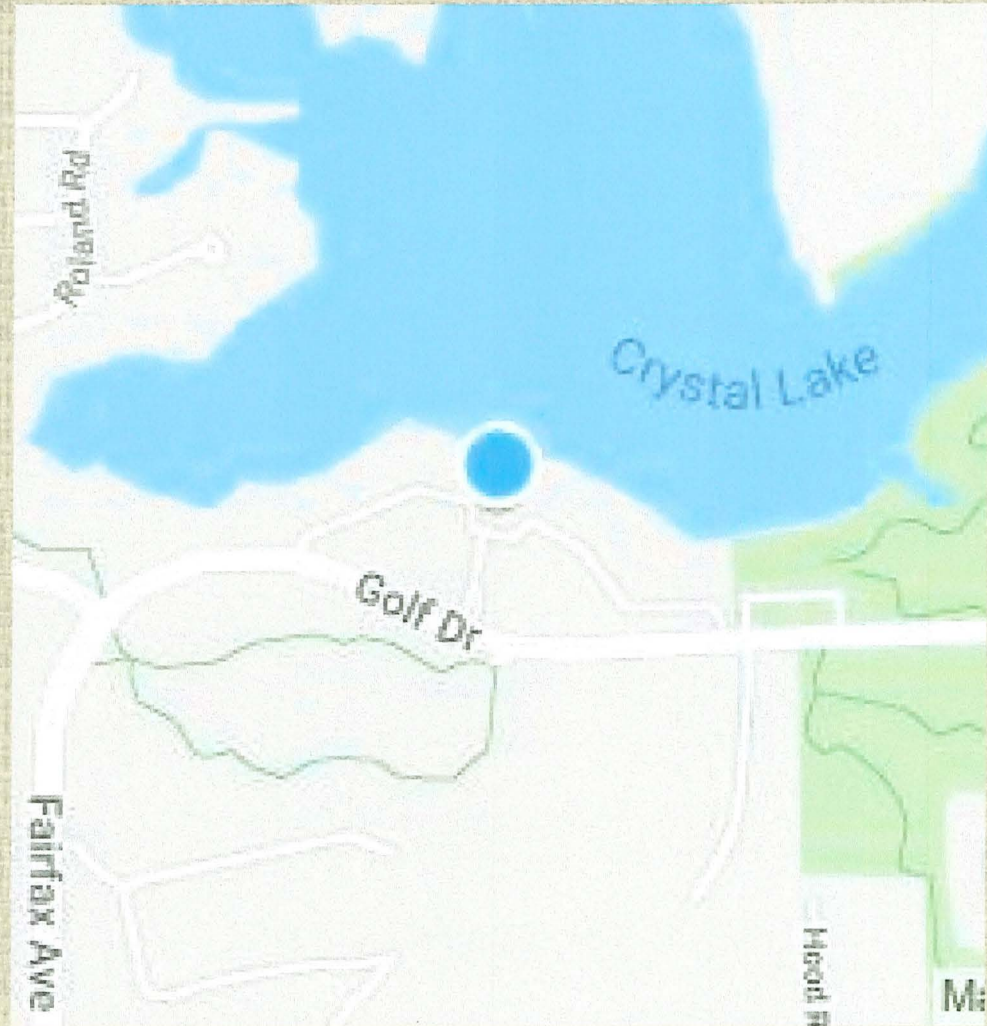
**City of Pontiac
Youth Recreation Center
Feasibility Study**

Purpose of Feasibility

- The current Pontiac Youth Recreation Center (PYREC) is located at 825 Golf Drive.
- PYREC is not owned by the City of Pontiac.
- The city is leased from Dr. Byerley.
- The lease is up August 2021.
- The city is in negotiations through its legal counsel with Dr. Byerley to purchase or extend the lease.
- City of Council requested a feasibility study of the David Ewalt Center to be performed.
- The City owns the David Ewalt Center located on Perry St. within Pontiac.
- The Department of Public Works conducted a site assessment of the Ewalt Center in 2016.
- During the 2016 Ewalt Center site assessment, crews required Hazardous Materials suits and air quality apparatuses to enter the building
- The 2016 site assessments produced restoration quotes of over \$2m from two local vendors.
- The city upon receipt of these quotes failed to address any of the work proposed.
- It is reasonably understood that the price/cost for the proposed work has significantly increased and the subsequent conditions worsened since 2016.
- DPW is reviewing three additional buildings for possible sites for PYREC beside Ewalt

Crystal Lake

- City owned land
- There is a \$1m fund available to build a PYREC on this proposed site
- Site would need significant multi-discipline planning to get project completed
- Site would not be available before lease is up with 825 Golf Drive.



PYREC

- Currently used as a Youth Rec
- Site passed state and county inspections fall 2020
- Although city currently leases it has maintained the facility and is aware of the building systems and operations
- With lease extension or purchase, PYREC activities and programs will not be interrupted.



Summary and Conclusion

- It is humanly impossible that Ewalt, Perdue or Crystal Lake would be available and ready to assume operations for PYREC program and activities if the city fails to purchase or extend its current lease agreement
- The clear and present financial obligations that would be required to restore/open either Ewalt or Perdue from their current conditions make them untenable as options for the city to consider.
- Both Perdue and Ewalt have unknown environmental hazards and liabilities which exacerbate any restoration costs if restoration is possible.
- Demolition of both Ewalt and Perdue in their current state and the erecting of a new facilities on their sites may be better options for the city to pursue in the future. However, that does not address the immediate needs of PYREC for this fall and beyond
- It was determined during the 2016 Ewalt Center site assessment that over \$2m in work was needed. The city upon receipt of these quotes failed to address any of the work proposed.
- It is reasonably understood that the price/cost for the proposed work has significantly increased and the subsequent conditions worsened since 2016.
- Perdue school was estimated in November 2020 to require \$10m in repairs by Lee Contracting.

Thank you ...



City of Pontiac Youth Recreation & Enrichment

Programs 2020-2021

Enrichment Programming	Ages	Program Elements
Educational Support/Learning Pods	5-17	<ul style="list-style-type: none">Daily 7:30am-6:00pmLicensed School Aged Child Care ProgramInstructional support for students in remote learningResource for families of essential workersBreakfast, lunch & Snack dailyRecreation & enrichment activities
Dance	5-7, 8-11, 12-17	<ul style="list-style-type: none">Various forms of dance explored.Introductory to intermediate and advanced levels taught.
Arts & Crafts	5-17	<ul style="list-style-type: none">Youth are introduced to a variety of projects and art forms that explore their creativity.
Music: Beginning Band with Charity Music (Program Partner)	8-16	<ul style="list-style-type: none">Music exploration class that introduces youth to various instruments.Students learn the basics of playing wind, string, and percussion instruments.Student are taught the basics of reading music.
Cranbrook STEM (Program Partner)	6-12	<ul style="list-style-type: none">Youth explore science, technology, engineering and math through hands on activities and experiments
Chess Club	8-17	<ul style="list-style-type: none">Coming Spring 2021
Girl Scouts (Program Partner)	5-14	<ul style="list-style-type: none">Enrichment & Mentoring for Girls
Sports	Ages	Program Elements
Basketball Skills Clinics	5-7, 8-10, 11-17	<ul style="list-style-type: none">Youth are taught the fundamentals of shooting, passing, and dribbling.Teamwork, sportsmanship, and fun is stressed.
Sheriff PAL Soccer Clinics (Program Partner)	7-9, 10-13	<ul style="list-style-type: none">Youth are taught basic soccer fundamentals through drills and games.
Youth Golf	8-16	<ul style="list-style-type: none">Coming Spring/Summer 2021
Youth Soccer League	7-9, 10-12	<ul style="list-style-type: none">Coming Spring 2021
T-Ball	5-7	<ul style="list-style-type: none">Coming Summer 2021
YMCA Port Sports (Program Partner)	6-14	<ul style="list-style-type: none">Provides sports sampling and free play activities for youth
Community Engagement		<ul style="list-style-type: none">PYREC Visioning Session was held to obtain feedback from community groups and stakeholders on March 25, 2021Information and input from the session will be used to inform our program creation and implementation.

#4

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President Williams and City Council Members
FROM: Mayor Deirdre Waterman
DATE: March 31, 2021
RE: **Resolution to Allocate a Maximum \$50,000 for a One-Year Contract for Lobbying Services related to the American Rescue Act and Funding for Cities**

The purpose of this memorandum is to formally request the allocation of general fund monies to support the retention of a government lobbyist for the purpose of promoting and protecting the City of Pontiac's interest in the funding allocated by the American Rescue Act, the lack of proper funding for Pontiac, and other resources and appropriations that may enhance the City's opportunities to receive an appropriate share of the funds being distributed to Cities across the United States.

BACKGROUND

The City is now aware that the formula used to determine its share of the funds directed to City's under the American Rescue Act are grossly imbalanced when comparing the share intended for Pontiac against Cities in Michigan of similar size and demographics. As indicated by our outside accounting and audit firm Plante Moran:

"The "Metro Cities" are cities/townships over 50,000 in population and are direct recipients of CDBG. "Other Non-Counties" are those under 50,000. Pontiac, despite your population being closer to 60,000, is on the "Other Non-Counties" tab. I suspect it is because Oakland County administers your CDBG. The Metro Cities are being funded based on the CDBG formula. The Other Non-Counties are strictly based on population.

On a per capita basis, the funding for Metro Cities is all over the place, due to the CDBG formula. For example, Detroit is getting \$1,312 per resident. Westland is getting \$342 per resident. Canton Twp. is getting \$109 per resident.

On a sample basis, the Other Non-Counties appear to be approximately \$92-\$98 per resident. I believe the fluctuation is due to the source I'm using for population. I calculated Pontiac at \$98/resident. The closest example to you that demonstrates this disparity is Pontiac vs. Royal Oak, just 14 miles straight down Woodward. You are getting \$98/resident. With approximately the same population (just under 60,000), Royal Oak is getting \$29.76M or \$503 per resident.

My understanding, based on a National League of Cities presentation earlier this week, is that these dollar amounts are NOT final. I do not know how soon they will be finalized or who has the final say. I do agree your best bet is to work through the MML and contact your own Rep and Senator."

As such, the following resolution is recommended for your consideration:

Whereas, the City of Pontiac has been preliminarily allocated less than \$100 per resident of the intended local funding from the American Rescue Act; and

Whereas, the City of Pontiac, by act the previous Emergency Manager who committed the City to the status of sub-recipient to Oakland County for certain Community Development Block Grant funding, with that status now impacting the formula used to determine the need in the City; and

Whereas, the City of Pontiac is in substantial need of assistance from the American Rescue Act having been significantly affected by the economic effects of COVID-19 and continuing to realize those affects through loss of income tax revenue, closing of local businesses, increased unemployment, a pending eviction crisis, and general fund distress.

Now, Therefore Be It Resolved, that the City Council directs the amount of \$50,000 be appropriated from the general fund and allocated to an account directed by the City's Finance Director to be used for the contracting a government lobbyist to promote and assist the City in engaging all opportunity to benefit from funding sources, or other appropriations, in response to the devastating economic effects of the COVID-19 crisis. It is further directed that the Mayor is authorized to perform such tasks as are necessary to consider, review and contract an appropriately registered and experienced person or firm to perform this service.

Estimated State and Local Allocation Spreadsheet Reference Guide

How fast will state and local governments receive the aid?

States, Tribal governments, territories, counties, and metropolitan cities (which generally have over 50,000 inhabitants) would receive their allocations within 60 days of submitting their certification of need to the Department of Treasury.

Because it could take a full year for the Department of Treasury to calculate and disburse the allocations for smaller local governments (generally those with under 50,000 inhabitants, comprising over 33,000 entities), the Department of Treasury is instead required to send those funds to the states within 60 days of the law's enactment. States would then have 30 days to disburse the funds to the local governments (called "nonentitlement units of local government") based on population. A state could ask Treasury for an extension for distributing one or more of those allocations if necessary, but it would need to justify why the extension is warranted. States would have no discretionary authority to change the amount of, or attach additional requirements to, the payments allocated to local governments.

What's the difference between a "CDBG City" and a "Nonentitlement"?

These terms are used on tabs 3 and 4 of the spreadsheet. "CDBG City" generally refers to cities of over 50,000, which would receive their allocation from the Department of Treasury based on a modified Community Development Block Grant (CDBG) formula.

"Nonentitlement" is short for "nonentitlement unit of local government," which is the term used for cities, townships, villages, and small municipalities that generally have fewer than 50,000 inhabitants. Those allocations would be made proportionate to population and are subject to a cap of 75% of the locality's most recent budget as of January 27, 2020.

How reliable are the estimates on the "Nonentitlement Rough Calcs" tab?

The spreadsheet estimates were calculated using public Census data, which poses four obstacles to getting precise nonentitlement assistance estimates:

1. Analysts must manually remove all "metro city" governments and underlying areas located within those areas. As users review the spreadsheets and point out oversights, updated spreadsheets are being released.
2. The Census data does not identify cases where local governments overlap (for example, an area with both a town government and a township government). This not only leads to issues in allocating payments in these areas, as they will likely split their payment across such governments, but also affects ALL nonentitlement governments because it affects the total population base used to distribute nonentitlement payments nationwide. Acknowledging the significant effects that overlap could have on nonentitlement estimates, the tab includes two estimates:

- The estimates in the **“No Overlap” Allocation (Column D)** are at one end of the extreme, and assume that whenever unclear, the overlap between governments is as small as possible. This means the nationwide population is as large as possible, and thus the payments to all governments are smaller because they cover more people.
 - The estimates in the **“All Overlap” Allocation (Column E)** are at the other extreme, assuming maximum overlap when presented with an unclear case. This minimizes the nationwide population eligible for funding, thereby resulting in greater payments to all nonentitlement governments.
3. Local governments may have unique structures (for example, if a city and county are consolidated) that mean they are left off the spreadsheet despite being eligible for funding.
 4. The data does not contain local budget information, so it **does not** reflect instances where a government would reach its cap of 75% of its most recent budget as of January 27, 2020. This cap may put a local government significantly below the “No Overlap” allocation estimate.

Why are the nonentitlement estimates for a state different on the Nonentitlement tab compared to the State and CDBG tabs?

On the “State and Level” tab, the “to Local Govts” column uses a “top down” simplifying estimate for nonentitlement allocations, assuming that the percentage of people eligible for nonentitlement assistance is constant across states.

On the “CDBG City” tab, each state has a line called [State, State]. This amount is the total amount the state is estimated to receive for its nonentitlement units of local government (those listed on the “Nonentitlement” tab), and also uses the “top down” simplifying assumption. For example, the entry for “Idaho, Idaho” is the estimated amount that would be distributed across all of Idaho’s nonentitlement units of local government listed on the “Nonentitlement” tab. However, these figures present the following concerns:

1. Some states have larger shares of people in nonentitlement governments than others, even if those shares can’t be calibrated precisely with the publicly available Census data; and
2. Knowing the total amount of nonentitlement assistance flowing to a state isn’t helpful to local government officials who need more specific information about what their unit of government would receive.

With that in mind, the “Nonentitlement Rough Calcs” tab uses a “bottom up” estimate that attempts to better describe the amounts flowing to individual towns using the Census data, understanding that those estimates will be inherently flawed.

These two different approaches (top down versus bottom up) mean that the [State, State] line of the “CDBG Cities” tab will not match up with the sum of the state’s entries on the “Nonentitlement Rough Calcs” tab.



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Finance Department

TO: Honorable City Council President and City Council Members

FROM: Darin Carrington, Finance Director

DATE: April 1, 2021

RE: American Rescue Plan Act of 2021

Attached is a presentation that provides an overview of the American Rescue Plan Act of 2021 that was recently signed into law by President Biden. This Act provides approximately \$362 Billion of funding for state and local governments to help offset the economic impact due to the COVID-19 pandemic. Of this amount, approximately \$65 Billion is being targeted to cities, towns and villages.

Based on the initial projections, the City of Pontiac is expected to receive approximately \$5.8 million in funding from the Act. However, due to the formulas being used to determine funding levels, the City of Pontiac is receiving a disproportionately lower amount of funding than other comparable cities. For example, the City of Dearborn Heights is projected to receive \$25.9 million, the City of Taylor is projected to receive nearly \$12 million and the City of Royal Oak is expected to receive nearly \$30 million.

The formula being used that has created such a disproportionate funding level for Pontiac is a result largely of the use of CDBG funding in the formula. More specifically, cities are broken into two categories with one category being those cities that directly receive funding for CDBG and a second category for those cities that do not directly receive CDBG funds. Because the City of Pontiac is a sub-recipient of CDBG funds through Oakland County, this has resulted in negatively impacting the amount of funds that Pontiac is projected to receive from this Act.

The Administration is currently working with officials at the county, state and federal levels to highlight this disparity and to identify ways in which this disparity may be addressed and corrected.

The American Rescue Plan Act


Local Funding Discussion

Michael Gleeson
National League of Cities

NLC
NATIONAL
LEAGUE
OF CITIES

CITIES STRONG TOGETHER

The Money For Cities, Towns and Villages

- For the first time all 19,000 municipal governments will be entitled to a difference-making level of federal funds by formula, not competitive funding, which will be allocated by the Treasury Department.
 - The CARES Act went to cities with a population of greater than 500,000
 - The rental assistant program passed in December went to cities with 200,000 or more people.
 - This is Historic.
- 
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The Money For Cities, Towns and Villages

- Cities, Towns and Villages will split \$65.1 billion.
- Entitlement Cities – generally those with populations greater than 50,000 - will have funds distributed using the current Community Development Block Grant funding formula. Entitlement Cities get \$45.53 billion.
- Non-Entitlement Cities – distributed by the state on the basis of population. Non-Entitlement Cities receive \$19.57 billion

The Money For Cities, Towns and Villages

- When do Cities, Towns and Villages Receive the Money?
- The funds will be distributed in two tranches.
 - The first tranche will go out 60 days from the signing of the law.
 - The second tranche will go out one year later.

The Money For Cities, Towns and Villages

- How Cities Get Their Money?
- Entitlement Cities will receive a direct allocation from the Treasury Department within 60 days of signing.
- Non-Entitlement cities will receive a pass through from their state within 30 days**.

Non-Entitlements And Why This Is Not Like The CARES Act

- The CARES Act provided money to the top 34 cities directly. More than 6,000 Cities, Towns and Villages never received any CARES Act funding either from their state or county.
- There is iron clad language in the statute that uses the word “shall” to ensure that states pass the money through.
- However, the Secretary of Treasury can allow up to 120 days for the state to pass through the money if they can show undue burden. Penalties on the states if they do not share.

Allowable Uses

- “(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (B) to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
 - This allows a municipality to provide up to \$13 per hour above regular wages.

Lost Revenue

- “(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
- Key here: **prior to the emergency**. The base year against which you will measure lost revenue happens not the most recent full fiscal year but the most recent full fiscal year prior to the emergency.


Allowable Uses

- “(D) to make necessary investments in water, sewer, or broadband infrastructure.
- A couple points:
 - The term “or”. If this were “and” then all three might be allowed, but as I read this you only get to make an investment in one of the categories.
 - The investment does not need to be tied to the pandemic
 - If you have infrastructure in one of these three buckets that needs upgrades, go for it.

Flexibility of Funds

- Recipient Governments can transfer funds to a:
 - Private nonprofit organization
 - a public benefit corporation involved in the transportation of passengers or cargo,
 - or a special-purpose unit of State or local government.

Restrictions

- Non-entitlement cities may not receive more than 75 percent of the city's most recent budget
 - Money may not be used for pension funds
 - “(2) PENSION FUNDS.—No metropolitan city, nonentitlement unit of local government, or county may use funds made available under this section for deposit into any pension fund.
 - Money Remains Available until December 31, 2024
- 
- A solid black horizontal bar is located at the bottom of the page, spanning most of the width.

Reporting

- In the House version, there was no reporting requirement.
- In the final version, ALL recipients of money will have to provide periodic reports to Treasury.
 - Recipients of “payment made under this section shall provide to the Secretary periodic reports providing a detailed accounting of the uses of such funds by such metropolitan city, nonentitlement unit of local government, or county and including such other information as the Secretary may require for the administration of this section.”

Next Steps

- NLC will begin working with the Treasury Department on the implementation of this section of the American Rescue Plan Act, as well as work to make suggestions on guidance.
- If you have any input or thoughts, you can email:
 - Mike Gleeson | Gleeson@nlc.org
 - Michael Wallace | Wallace@nlc.org

QUESTIONS? GET IN TOUCH.

Michael Gleeson

Manager, Finance, Administration, and Intergovernmental Relations

Gleeson@nlc.org

NLC's Federal Advocacy team

advocacy@nlc.org



@LEAGUEOFCITIES





AMERICAN RESCUE PLAN ACT OF 2021

What is the American Rescue Plan?

The American Rescue Plan Act of 2021 is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States recovery from the devastating economic and health effects of the COVID-19 pandemic.

The package includes direct stimulus payments of \$1,400, extending unemployment compensation, continuing eviction and foreclosure moratoriums, and increasing the child tax credit while making it fully refundable. It also provides money for schools from kindergarten through eighth grade to safely reopen amidst the pandemic, and subsidizes Covid-19 testing and vaccination programs. Most importantly, the Act provides \$362 billion in funds for state and local governments to help compensate for lost tax revenues and increased expenses due to the COVID-19 pandemic.



The Money For Cities, Town and Villages

- Cities, Town and Villages will split \$65.1 billion
- **Entitlement Cities**-generally those with populations of greater than 50,000-will have funds distributed using the current Community Development Block Grant (CDBG) funding formula. Entitlement Cities receive **\$45.53 billion**.
- Non-Entitlement Cities (which includes the City of Pontiac)-distributed by the state on the basis of population. Non-Entitlement Cities receive **\$19.57 billion**

The Funds will be distributed in two tranches:

The first tranche will go out 60 days from the signing of the law

The second tranche will go out one year later after the first tranche



How Cities Get Their Money?

- Entitlement Cities will receive a direct allocation from the Treasury Department within 60 days of signing
- Non-Entitlement Cities (including City of Pontiac) will receive a pass through from the state within 30 days



Aid Distribution Amounts and Formulas

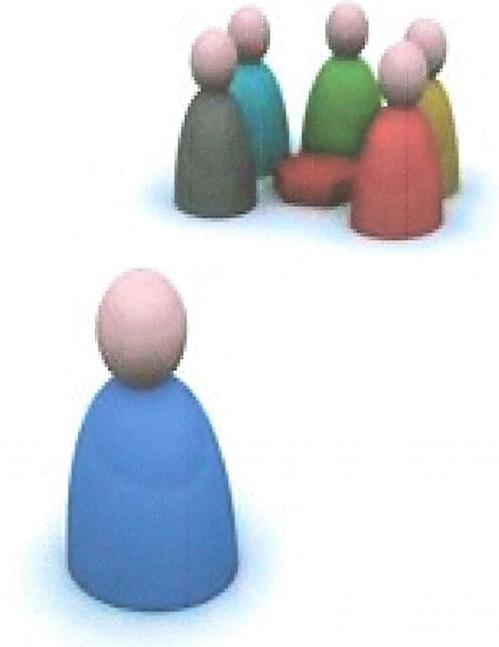
Level of Government	Amount	Distribution Formula
State Governments	\$195.3 billion	Share of National Unemployment with CARES Act Minimum Payment
Local Governments	\$130.2 billion	Population and CDBG Criteria
Territories	\$4.5 billion	Base Allocation plus Population
Tribal Governments	\$20.0 billion	Treasury Determination

Why was Pontiac Not Treated as a Entitlement City in the American Recue Plan Allocation?

While confirmation has not yet been received as to why the City was excluded from the “entitlement city” allocation it appears to be due to the fact that the City’s CDBG funds are administered by Oakland County. Entitlement Cities have projected funding based on CBDG criteria; Pontiac’s funding projection is based on population.

Projected Funding Levels (\$ in millions):

- **Pontiac** \$ 5.8
- Royal Oak \$29.7
- Taylor \$11.9
- Dearborn Heights \$25.9



CARES Act Funding

This was the first of the COVID relief bills and was passed by Congress in March 2020. For the current fiscal year, the City of Pontiac has received \$3.852 million in COVID related grants and reimbursements.

Public Safety Reimbursement - Police (Oakland County)	\$629,000
Public Safety Reimbursement - Fire (Waterford)	\$327,000
Senior Services	\$56,000
Coronavirus Relief Local Government Grant (Oakland County)	\$1,533,000
Coronavirus Relief Local Government Grant	<u>\$1,307,000</u>
Total	\$3,852,000

Non-Entitlements Cities Restrictions

- Non-Entitlement Cities may not receive more than 75% of the city's most recent budget
- Money may not be used for pension funds
- Money remains available until December 31, 2024





All recipients of money will have to provide periodic reports to the Treasury

Reporting

#6

**Mayoral
Monthly
Report**

3-12-21

Check Register

03/12/2021 05:11 PM

User: JPETERS

DB: Pontiac

CHECK REGISTER FOR CITY OF PONTIAC
CHECK DATE FROM 03/06/2021 - 03/12/2021

Page: 1/5

Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
Bank BOND FIFTH THIRD BOND ACCOUNT						
Check Type: Paper Check						
03/08/2021	13224	10002889	50th District Court	18OS02024A F	45.00	Open
				201588SM 10%	50.00	Open
				201600SM F	150.00	Open
				05B260536X A	45.00	Open
				17OS06901A A	45.00	Open
				201347SM A	100.00	Open
				151406300N A	4.00	Open
				201771SM F	500.00	Open
				200470FY 10%	75.00	Open
				17145837OM 10%	5.00	Open
				200765OM F	110.00	Open
				210029OM A	100.00	Open
				210029OM 10%	11.00	Open
				200S24843A A	100.00	Open
				200S24843A 10%	11.00	Open
				201589SM 10%	20.00	Open
				200S04369B 10%	5.00	Open
				200S04369B A	45.00	Open
					<u>1,421.00</u>	
03/08/2021	13225	BOND	ALEXIS MONIQUE NOBLE	17146573OMR	50.00	Open
				17146573OMR	50.00	Open
				17146573OMR	50.00	Open
					<u>150.00</u>	
03/08/2021	13226	BOND	ASHLEY BOLTERZAR	201589SM R	180.00	Open
03/08/2021	13227	BOND	AUSTIN HOWELL	200470FY R	675.00	Open
03/08/2021	13228	BOND	CRYSTAL EVON MORAN	191284OM R	250.00	Open
03/08/2021	13229	BOND	DEBORAH DOLENCE	191207OM R	1,100.00	Open
03/08/2021	13230	BOND	JARRES DERRIS BRIGGS JR	201588SM R	450.00	Open
03/08/2021	13231	BOND	JESSIE LOFTON	17145837OM R	45.00	Open
03/08/2021	13232	BOND	KALIETHIA RICHARDSON	210029OM R	99.00	Open
				200S24843A R	99.00	Open
					<u>198.00</u>	
03/08/2021	13233	BOND	KEVIN SHELTON	200S23744B R	35.00	Open
03/08/2021	13234	BOND	KIMBERLY ALFREDA FARRIS	13OS30077C R	4.00	Open
03/08/2021	13235	BOND	KIMBERLY ECKHOUT	210044OIR	350.00	Open
03/08/2021	13236	BOND	MARATHON GAS STATION	201121SMR	75.00	Open
03/08/2021	13237	BOND	MAURISSA HICKMAN	200S10986A R	45.00	Open
03/08/2021	13238	BOND	MENARDS	200112FYR	80.00	Open
03/08/2021	13239	00002208	OAKLAND COUNTY CLERK	210109FY C	160.00	Open
				210018FY C	200.00	Open
					<u>360.00</u>	
03/08/2021	13240	BOND	PATRICIA SCHULTZ	200S21779A R	45.00	Open
				200S21779A R	45.00	Open
					<u>90.00</u>	

03/12/2021 05:11 PM
User: JPETERS
DB: Pontiac

CHECK REGISTER FOR CITY OF PONTIAC
CHECK DATE FROM 03/06/2021 - 03/12/2021

Page: 2/5

Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
Total Paper Check:					5,508.00	
BOND TOTALS:						
Total of 17 Checks:					5,508.00	
Less 0 Void Checks:					0.00	
Total of 17 Disbursements:					5,508.00	
Bank CONS CONSOLIDATED						
Check Type: EFT Transfer						
03/12/2021	847(E)	00010539	ATA National Title Insurance Company	3-12-21	230,000.00	Open
Total EFT Transfer:					230,000.00	
Check Type: Paper Check						
03/12/2021	529710	10004066	Action Traffic Maintenance, Inc.	1245552	7,013.50	Open
03/12/2021	529711	10001957	Ajax Materials Corporation	257329	2,182.40	Open
03/12/2021	529712	10003765	Anderson, Eckstein & Westrick, Inc.	129974	1,927.50	Open
03/12/2021	529713	00000050	AT & T	80025874118-0321	1,745.22	Open
03/12/2021	529714	00000050	AT & T	248253002603-21	626.70	Open
03/12/2021	529715	10002333	Auto Value - APC Store	313-683158	9.88	Open
				313-683272	19.99	Open
				313-683279	102.00	Open
				313-683567	693.24	Open
				313-683715	41.58	Open
				313-683830	41.27	Open
				313-683831	42.49	Open
				313-684620	292.58	Open
				313-684334	160.17	Open
				313-684335	214.36	Open
				313-685079	287.04	Open
				313-685092	67.89	Open
				313-685462	29.48	Open
				313-685817	29.57	Open
				313-685093	(48.29)	Open
					1,983.25	
03/12/2021	529716	10003936	Belle Tire Distributors, Inc.	Order #36461277	219.50	Open
03/12/2021	529717	10003803	Benedetto Tiseo	21-001	50.00	Open
03/12/2021	529718	REFUND TAX	Challenge Mfg Company LLC	IN-14-100-447-022821	1,966.83	Open
03/12/2021	529719	10004021	Chris Onwuzurike	21-003	50.00	Open
03/12/2021	529720	00001244	Comcast Cablevision	52-1022718-0321	426.98	Open
				990-878763-0321	364.00	Open
				990-1024326-0321	426.98	Open
					1,217.96	
03/12/2021	529721	00000206	Consumers Energy	52-9642630-0321	722.92	Open
				10-95261074-0321	15.00	Open
				70-96511412-0321	1,981.33	Open
				110-98711686-0321	2,323.23	Open

03/12/2021 05:11 PM
 User: JPETERS
 DB: Pontiac

CHECK REGISTER FOR CITY OF PONTIAC
 CHECK DATE FROM 03/06/2021 - 03/12/2021

Page: 3/5

Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
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				6180-96321407-0321	552.34	Open
				47450-96189951-0321	3,607.11	Open
					<u>13,278.10</u>	
03/12/2021	529722	00001353	Detroit Elevator Co.	191137	184.00	Open
				191139	185.00	Open
					<u>369.00</u>	
03/12/2021	529723	00010679	DLZ Michigan, Inc -Johnson&Andersor	144852	2,942.00	Open
03/12/2021	529724	00000247	DTE Energy	52-7080527-0221	598.93	Open
				70-4941404-0321	3,957.52	Open
				216-7484267-0221	52.96	Open
				435-7849547-0221	61.65	Open
				575-5880980-0221	36.48	Open
				786-2776558-0221	27.47	Open
				827-5543457-0221	67.58	Open
				827-7082417-0221	1,283.42	Open
				990-7078596-0221	502.22	Open
				6180-5436439-0221	1,166.11	Open
				6180-5436464-0221	1,060.25	Open
					<u>8,814.59</u>	
03/12/2021	529725	00000284	Elam Service Group	21621	9,980.00	Open
03/12/2021	529726	10004397	Empyrean Benefit Solutions, Inc.	SINV10012374	6,041.20	Open
03/12/2021	529727	10000261	Harley Ellis Devereaux Corporation	974728	402.00	Open
03/12/2021	529728	10000583	LaVanway Sign Company	17664	800.00	Open
03/12/2021	529729	EMP. REIMB	Matthew Lande	2701 00052 75300	8.69	Open
03/12/2021	529730	REFUND TAX	MG Income Tax &	99-00-007-065-022821	136.52	Open
03/12/2021	529731	10003957	Mona Storm - Storm Reporting	February 26, 2021	135.00	Open
				February 26, 2021	370.00	Open
					<u>505.00</u>	
03/12/2021	529732	00002197	Nowak & Fraus, PLLC	100536 P#K157	3,915.50	Open
03/12/2021	529733	00000596	NTH Consultants, Ltd	625088	1,860.00	Open
				625334	1,590.00	Open
				625401	3,912.50	Open
				625402	16,214.60	Open
					<u>23,577.10</u>	
03/12/2021	529734	00002217	Oakland County Legal News	1726967	95.15	Open
03/12/2021	529735	10003889	Oakland County Register of Deeds	2021-0217 BOAMeeting	330.00	Open
03/12/2021	529736	10003275	Power Plan - AIS Construction	Y77043	893.81	Open
				Inv Y77073	1,730.48	Open
					<u>2,624.29</u>	
03/12/2021	529737	00011236	PreCise MRM LLC	200-1029790	150.00	Open
03/12/2021	529738	10004007	QRS Court Reporting, LLC	90778	535.00	Open
03/12/2021	529739	10004173	Seasonal Property Maintenance LLC	2139	575.00	Open
				2140	355.00	Open
				2141	249.00	Open
				2142	249.00	Open
				2143	90.00	Open

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
				2144	249.00	Open
				2145	355.00	Open
				2146	355.00	Open
				2147	249.00	Open
				2148	355.00	Open
				2149	231.25	Open
				2150	875.00	Open
				2151	277.50	Open
				2152	355.00	Open
				2153	249.00	Open
				2154	249.00	Open
				2155	450.00	Open
				2156	185.00	Open
				2157	185.00	Open
				2158	185.00	Open
				2159	3,195.00	Open
				2160	575.00	Open
				2161	1,620.00	Open
				2162	710.00	Open
				2163	875.00	Open
				2164	1,085.00	Open
				2165	249.00	Open
				2166	1,010.00	Open
				2167	5,421.75	Open
				2168	5,844.00	Open
					<u>26,907.50</u>	
03/12/2021	529740	00012256	Staples Business Advantage	8061061024-467667369	408.53	Open
				8061061024-467667370	(1.50)	Open
					<u>407.03</u>	
03/12/2021	529741	10004140	Techniserve Inc.	39985	540.75	Open
03/12/2021	529742	00000851	Wade-Trim/Associates	2020205	143,795.00	Open
03/12/2021	529743	10003813	Water Resource Commissioner	440-80918-08-0321	341.12	Open
				440-80919-02-0221	99.00	Open
				990-78699-00-0221	341.12	Open
					<u>781.24</u>	
03/12/2021	529744	00002832	Waterford A Charter Township	348-96397916-0121	607.74	Open
				348-96397916-0221	675.64	Open
				348-5548109-0121	297.16	Open
				348-69848-00-0121	411.67	Open
					<u>1,992.21</u>	
				Total Paper Check:	<u>267,910.73</u>	
CONS TOTALS:						
Total of 36 Checks:					497,910.73	
Less 0 Void Checks:					0.00	
Total of 36 Disbursements:					<u>497,910.73</u>	

Bank COURT FIFTH THIRD-COURT OPERATING

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
Check Type: Paper Check						
03/08/2021	8452	10004223	Court Innovations Incorporated	#INV204227	325.00	Open
				#INV205630	325.00	Open
				#INV207029	325.00	Open
				#INV208440	325.00	Open
					<u>1,300.00</u>	
03/08/2021	8453	10004110	Eric Adam Nissani	210S00844A I	70.00	Open
03/08/2021	8454	10000960	Iron Mountain Incorporated	DKND798	718.50	Open
03/08/2021	8455	10003909	Maria Fabiana Valy Gialdi	210249FY I	70.00	Open
				210S00325B I	70.00	Open
					<u>140.00</u>	
03/08/2021	8456	00000776	MICHIGAN DEPARTMENT OF TREASURY	FEBRUARY 2021	54,547.85	Open
03/08/2021	8457	00002208	OAKLAND COUNTY CLERK	201798GC J	50.00	Open
03/08/2021	8458	00000603	Oakland County Treasurer	FEBRUARY 2021	11,403.30	Open
03/08/2021	8459	10004418	Susan M Moiseev	MOISEEV 3/5/21	325.30	Open
				Total Paper Check:	<u>68,554.95</u>	
COURT TOTALS:						
Total of 8 Checks:					68,554.95	
Less 0 Void Checks:					<u>0.00</u>	
Total of 8 Disbursements:					<u>68,554.95</u>	
REPORT TOTALS:						
Total of 61 Checks:					571,973.68	
Less 0 Void Checks:					<u>0.00</u>	
Total of 61 Disbursements:					<u>571,973.68</u>	

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
Bank BOND FIFTH THIRD BOND ACCOUNT						
Check Type: Paper Check						
03/18/2021	13241	10002889	50th District Court	201464SM 10%	11.00	Open
				201464SM A	99.00	Open
				200363FY 10%	25.00	Open
				16OS01873A F	100.00	Open
				19OS34748A F	45.40	Open
				200528SM 10%	50.00	Open
				15OS29539A 10%	11.00	Open
				16141676OM 10%	11.00	Open
				15139754OM 10%	11.00	Open
				200899SM F	300.00	Open
				200398SM F	2,500.00	Open
				11OS26815A F	45.00	Open
				210115SM 10%	50.00	Open
				18OS27116A A	45.00	Open
				210028SM 10%	250.00	Open
				201768FY F	250.00	Open
				191234ST 10%	25.00	Open
				200606SD A	100.00	Open
				200842FY 10%	50.00	Open
				20OS15143A F	45.00	Open
				201569FY 10%	25.00	Open
				201530SM 10%	50.00	Open
				190337ON A	535.00	Open
				17146969ON A	195.00	Open
				1873556SM A	669.10	Open
					<u>5,497.50</u>	
03/18/2021	13242	BOND	ALEXIS DION MILNER	200339SM R	1,001.00	Open
03/18/2021	13243	BOND	ATTIYEH NAFARI	18OS29244A R	105.00	Open
03/18/2021	13244	BOND	CARLESIA RUSSELL	200842FY R	450.00	Open
03/18/2021	13245	BOND	CRYSTAL EVON MORAN	210115SM R	450.00	Open
03/18/2021	13246	BOND	EMMA GOODE	191573SMR	150.00	Open
03/18/2021	13247	BOND	ERIC DWAYNE WEAVER	201530SM R	450.00	Open
03/18/2021	13248	BOND	JESSIE LOFTON	15OS29539A R	99.00	Open
				16141676OM R	99.00	Open
				15139754OM R	99.00	Open
					<u>297.00</u>	
03/18/2021	13249	BOND	JOLENE JOHNSON	20275069FH R	212.00	Open
03/18/2021	13250	BOND	KEMIA K. CHASEN	1873556SM R	130.90	Open
03/18/2021	13251	BOND	KEVIN NASIR SADIK	17089033SC R	25.00	Open
03/18/2021	13252	BOND	KRISTIN RODRIGUEZ	191234ST R	225.00	Open
03/18/2021	13253	BOND	MELISSA VICKERS	17089033SC R	575.00	Open
03/18/2021	13254	BOND	MENARDS	200112FYR	75.00	Open
03/18/2021	13255	BOND	MORONIA GAMALIEL PRESTON	20OS23184A R	7.00	Open
03/18/2021	13256	00002208	OAKLAND COUNTY CLERK	201090FY C	500.00	Open
				201761FY C	250.00	Open
				210090FY C	250.00	Open
				210113FY C	2,500.00	Open
				201575FY C	250.00	Open
				201381FY C	1,000.00	Open

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
				201767FY C	500.00	Open
					<u>5,250.00</u>	
03/18/2021	13257	BOND	PATRICIA KURZ	210028SM R	2,250.00	Open
03/18/2021	13258	BOND	SHANEKA TILLMAN	201569FY R	225.00	Open
03/18/2021	13259	BOND	SHELLY LYONS	200528SM R	450.00	Open
03/18/2021	13260	BOND	TERRON KING	200363FY R	225.00	Open
03/18/2021	13261	BOND	YOLANDA R BROWN	200751OT R	45.00	Open
				200751OT R	45.00	Open
					<u>90.00</u>	
				Total Paper Check:	<u>18,140.40</u>	
					<u><u>18,140.40</u></u>	
BOND TOTALS:						
Total of 21 Checks:					18,140.40	
Less 0 Void Checks:					0.00	
Total of 21 Disbursements:					<u>18,140.40</u>	
Bank CONS CONSOLIDATED						
Check Type: EFT Transfer						
03/16/2021	848(E)	00010539	ATA National Title Insurance Company	3-16-21	31,284.00	Open
				Total EFT Transfer:	<u>31,284.00</u>	
Check Type: Paper Check						
03/19/2021	529745	10004313	ADT Commercial LLC	139173444	49.95	Open
03/19/2021	529746	10003879	Amazon.com LLC	692184677	153.98	Open
03/19/2021	529747	10004305	Ameena Razia Sheik	1-19-21 200442OM	20.00	Open
				1-20-21 200S17571A	33.00	Open
				1-20-21 X3784706A	33.00	Open
				1-22-21 190S35423A	20.00	Open
				1-27-21 190S35423	25.00	Open
				1-27-21 200442OM	8.00	Open
				1-27-21 AM	300.00	Open
				1-28-21 180S28182C	33.00	Open
				1-28-21 201403SM	50.00	Open
				2-2-21 AM	300.00	Open
				2-4-21 201223SM	17.00	Open
				2-4-21 201368SM	50.00	Open
				11-10-20 201368SM	33.00	Open
				11-14-20 201223SM	50.00	Open
				12-23-20 191140SD	50.00	Open
				12-23-20 201678SM	50.00	Open
					<u>1,072.00</u>	
03/19/2021	529748	10004322	Animal Xtractors	001023	250.00	Open
03/19/2021	529749	00000050	AT & T	8310007501007-0321	1,294.90	Open
				8310007527298-0321	221.00	Open
					<u>221.00</u>	

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					1,515.90	
03/19/2021	529750	00000050	AT & T	250472140--0321	85.81	Open
03/19/2021	529751	10003274	AT & T Long Distance	821555420-030421	27.08	Open
03/19/2021	529752	10004207	Belem Morales Law Office	11-17-20 200738SM	50.00	Open
03/19/2021	529753	REFUND BD	Blumke Installations LLC	R#244996&243017	110.00	Open
03/19/2021	529754	00000119	Bostick Truck Center, LLC	124694	421.19	Open
				124787	3,268.86	Open
				124953	678.34	Open
				252364	42.82	Open
				252717	1,040.40	Open
				252736	83.84	Open
				252796	48.94	Open
				252829	110.00	Open
				252936	213.82	Open
					5,908.21	
03/19/2021	529755	00001156	C&S Motors, Inc.	X101004702	305.00	Open
				X101005224	346.17	Open
				X101005515	56.44	Open
				R101000423	894.36	Open
				X101005566	112.88	Open
					1,714.85	
03/19/2021	529756	10004457	Charter Course Legal, P.C.	1001934	9,438.36	Open
03/19/2021	529757	10004429	Cleannet of Greater Michigan	DET0090952	1,500.00	Open
				DET0092277	4,030.18	Open
					5,530.18	
03/19/2021	529758	00001244	Comcast Cablevision	110-1037575-0321	310.96	Open
				825-946958-0421	325.31	Open
				6180-214665-0321	189.52	Open
				47450-862478-0321	124.81	Open
					950.60	
03/19/2021	529759	00013029	CompOne Administrators, Inc.	175462	7,070.00	Open
03/19/2021	529760	00000206	Consumers Energy	216-97012165-0321	76.76	Open
				350-96873280-0321	25.39	Open
				990-96288609-0321	714.60	Open
					816.75	
03/19/2021	529761	10004348	Cory Westmoreland	2-1-21 190832081A	53.00	Open
03/19/2021	529762	00001299	Culligan of Ann Arbor / Detroit	660232	15.50	Open
03/19/2021	529763	00000247	DTE Energy	440-2777841-0221	34.98	Open
03/19/2021	529764	10004332	Edith Blakney Law Firm, PLLC	1-19-21 201629SM	50.00	Open
				1-19-210210009SM	50.00	Open
					100.00	
03/19/2021	529765	10004306	Erika D. Morgan Law, PLLC	7-7-20 191418SM	50.00	Open
03/19/2021	529766	00013073	Florence Cement Company	Pay Est#7	150,290.13	Open
03/19/2021	529767	00013073	Florence Cement Company	Pay Est#8	188,101.66	Open
03/19/2021	529768	10004308	Forster Vine Rochester Auto Wash	238	70.00	Open

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03/19/2021	529769	00013036	Giarmarco, Mullins & Horton, P.C.	93194-016-114	29,115.00	Open
				93194-032-102	3,015.00	Open
				93194-067-24	34,399.80	Open
				93194-023-99	240.00	Open
				93194-079-8	570.00	Open
				93194-081-3	180.00	Open
				93194-069-20	765.00	Open
				93194-070-20	360.00	Open
				93194-057-77	2,835.00	Open
				93194-080-8	390.00	Open
				93194-000-115	8,821.80	Open
					<u>80,691.60</u>	
03/19/2021	529770	00000436	Gracey Law Firm, PLLC	2-2-2021 190S25908B	50.00	Open
				12-23-20 190S25908B	17.00	Open
					<u>67.00</u>	
03/19/2021	529771	10004182	Great Lakes Power & Lighting, Inc	21021	781.27	Open
				21022	1,020.61	Open
				21023	4,776.50	Open
				21024	528.00	Open
				21025	528.00	Open
					<u>7,634.38</u>	
03/19/2021	529772	10004422	Health Care Cost Management	0015	129.35	Open
03/19/2021	529773	10003261	Hillarie F. Boettger, PLLC	1-27-21 200926OM	20.00	Open
				2-1-21 190571SD	47.00	Open
				201483SM	100.00	Open
				2-1-21 201498SM	50.00	Open
				2-7-21 210081OM	20.00	Open
					<u>237.00</u>	
03/19/2021	529774	00001649	Home Depot/Comm. Credit	5904802	350.00	Open
				1022275	159.96	Open
				1022311	110.54	Open
				2022135	17.95	Open
				6021761	96.96	Open
				8022774	19.70	Open
				9020300	46.90	Open
					<u>802.01</u>	
03/19/2021	529775	10000136	Howard E Nyhart Company Inc.	164911	4,825.00	Open
03/19/2021	529776	00001679	ICMA	Order# 346614	450.00	Open
03/19/2021	529777	10004337	Idumesaro Law Firm, PLLC	2-1-21 2009160	63.00	Open
				2-1-21 AM	300.00	Open
				2-3-21 191825OM	47.00	Open
				2-3-21 200654OM.	10.00	Open
				2-3-21 201607OM	125.00	Open
				2-3-21 201741SM	57.00	Open
				2-3-21 15139754OM	10.00	Open
				2-8-21 190S37871A	93.00	Open
					<u>705.00</u>	
03/19/2021	529778	10004415	Integrity Testing & Safety Administ	30756	149.00	Open

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03/19/2021	529779	10000960	Iron Mountain Incorporated	202303867	341.65	Open
				DKNB582	328.75	Open
				DKNB583	248.37	Open
				DKNB587	368.44	Open
					<u>1,287.21</u>	
03/19/2021	529780	10003866	K and Q Law, PC	2-5-21 2009100M	75.00	Open
03/19/2021	529781	10003942	Law Office of D Ann Parker, PC	1-2-21 1912490M	25.00	Open
				1-2-21 2008130M	25.00	Open
				1-11-21 180S03674A	20.00	Open
				1-18-21 201602SM	50.00	Open
				1-19-21 210029SM	50.00	Open
				1-21-21 210005OM	75.00	Open
				1-22-21 200S22383A	25.00	Open
				1-25-21 200817OM	25.00	Open
				1-26-21 AM	300.00	Open
				1-27-21 AM	300.00	Open
				1-28-21 18146807OM	3.00	Open
					<u>898.00</u>	
03/19/2021	529782	10004388	Law Office of Christophen R Shemke	1-27-21 210082SM	33.00	Open
				1-27-21 210083SM	33.00	Open
				1-28-21 210098SM	23.00	Open
				2-4-21 210S00930B	42.00	Open
				2-4-21 200S06027A	33.00	Open
				2-4-21 200S10057A	50.00	Open
				2-4-21 2008800M	50.00	Open
					<u>264.00</u>	
03/19/2021	529783	00011084	Law Office of Marsha M. Kosmatka	1-6-21 AM	300.00	Open
				1-19-21 191608SM	200.00	Open
				1-19-21 201052SM	100.00	Open
				1-19-21 201279SM	125.00	Open
				1-19-21 201344SM	50.00	Open
				1-19-21 201373SM	75.00	Open
				1-19-21 201406SM	50.00	Open
				1-12-21 AM	300.00	Open
				9-29-20 AM	300.00	Open
				10-13-20 AM	100.00	Open
				10-20-20 AM	200.00	Open
				10-30-20 AM	200.00	Open
				11-12-20 AM	100.00	Open
				12-9-20 AM	100.00	Open
					<u>2,200.00</u>	
03/19/2021	529784	10002474	Law offices of Moneka L. Sanford PI	9-29-20 200052SM	100.00	Open
03/19/2021	529785	10003741	Law Offices of Nadine R.Hatten, PLLC	1-21-21 200933SM	483.00	Open
				1-28-21 190S40931B	53.00	Open
				1-28-21 2100010M	35.00	Open
				1-30-21 B133547Y	38.00	Open
				2-1-21 AM	300.00	Open
					<u>909.00</u>	

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
03/19/2021	529786	00012690	Law Offices of Paulette Michel, PLLC	12-23-21 200342SM 2339 January 2021 2340 February 2021	117.00 3,750.00 3,750.00 <u>7,617.00</u>	Open Open Open
03/19/2021	529787	00010223	Lisa C Watkins Law Office	2-4-21 200615SM 2-4-21 200758OM 11-13-21 200758OM	308.00 225.00 50.00 <u>583.00</u>	Open Open Open
03/19/2021	529788	00001592	Loomis	12766297	1,104.59	Open
03/19/2021	529789	10000123	Marilyn D.Walker	1-19-21 201638SM 1-25-21 191325SD 1-25-21 191361SM 1-25-21 1872642 1-28-21 AM 1-29-21 210087 1-29-21 210100SM 2-1-21 190388	25.00 37.00 20.00 20.00 300.00 20.00 25.00 20.00 <u>467.00</u>	Open Open Open Open Open Open Open Open
03/19/2021	529790	00001933	Mark S Lee	0215 0312	1,250.00 1,250.00 <u>2,500.00</u>	Open Open
03/19/2021	529791	00012978	Meadowbrook, Inc.	6424	3,740.00	Open
03/19/2021	529792	00002044	Michigan Municipal League	22443	54.36	Open
03/19/2021	529793	10003945	Nancy Anne Plasterer	1-21-32 201669SM 1-21-21NATHAN GREIVE	82.00 208.00 <u>290.00</u>	Open Open
03/19/2021	529794	00000598	Oakland County	SHF0006502	32,155.08	Open
03/19/2021	529795	10000078	Occupational HealthCenters of MI PC	713631514	52.00	Open
03/19/2021	529796	00002381	Primo Crafts, LLC	33044	1,568.00	Open
03/19/2021	529797	00013315	Rapid Shred, LLC	138963	30.00	Open
03/19/2021	529798	00002481	Ronald A MacKool, Jr., PLLC	1-20-21 201719SM 1/18/21 190S36058B 1-19-21 201770SD 1-26-21 201654SM 2-1-21 200827FY 1-28-21 200366SM 2-1-21 201740SM 2-1-21 200724FY 2-1-21 1059956SM 2-2-21 AM	57.00 25.00 65.00 173.00 8.00 153.00 63.00 47.00 42.00 300.00 <u>933.00</u>	Open Open Open Open Open Open Open Open Open Open
03/19/2021	529799	REFUND DEP	Ronald Ross	R#98700-224720	12,746.00	Open
03/19/2021	529800	10004113	Scott A. Cope	21-002 Feb17,2021	50.00	Open
03/19/2021	529801	00013050	Stacy A. Drouillard	1-25-21AM 1-28-21 210009OM 1-28-21 11128248CO 2-2-21 200904OM	300.00 25.00 25.00 33.00	Open Open Open Open

03/24/2021 10:05 AM
User: JPETERS
DB: Pontiac

CHECK REGISTER FOR CITY OF PONTIAC
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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
				2-2-21 201562SM	233.00	Open
				2-4-21 17OS11577A	25.00	Open
				2-8-21 200904OM	75.00	Open
				2-8-21 210009OM	17.00	Open
				2-8-21 11128248CO	17.00	Open
					<u>750.00</u>	
03/19/2021	529802	00012256	Staples Business Advantage	8060717260-464925076	1,387.71	Open
				8060717260-464925082	1,233.52	Open
				8060717260-464925083	33.96	Open
				8061230849-469213773	349.11	Open
				8061230849-469213774	39.99	Open
				8061230849-469213775	159.96	Open
				8061230849-469213776	75.74	Open
				8061230849-469213777	83.37	Open
				8061230849-469213778	31.99	Open
				8061230849-469213779	603.68	Open
				8061230849-469213780	23.24	Open
				8061230849-469213781	22.83	Open
				8061230849-469213771	(1,850.28)	Open
					<u>2,194.82</u>	
03/19/2021	529803	00002630	State of Michigan	VA7KK6I	123.41	Open
03/19/2021	529804	00000773	State of Michigan-Dept. License&Reg	2021	150.00	Open
03/19/2021	529805	00000275	The Law and Mediation Center PLLC	200203	450.00	Open
03/19/2021	529806	00000851	Wade-Trim/Associates	2020206	45,370.00	Open
03/19/2021	529807	00002832	Waterford A Charter Township	16353	311.17	Open
				Total Paper Check:	<u>588,121.92</u>	
CONS TOTALS:						
Total of 64 Checks:					619,405.92	
Less 0 Void Checks:					0.00	
Total of 64 Disbursements:					<u>619,405.92</u>	
Bank COURT FIFTH THIRD-COURT OPERATING						
Check Type: Paper Check						
03/18/2021	8460	10002889	50th District Court	3/17/21 DEPOSIT	9.37	Open
03/18/2021	8461	00001244	Comcast Cablevision	8529101461030042	104.85	Open
03/18/2021	8462	10004110	Eric Adam Nissani	18OS21549A I	70.00	Open
				20OS21417B I	70.00	Open
				20OS24597A I	70.00	Open
					<u>210.00</u>	
03/18/2021	8463	10004065	LEXISNEXIS RISK SOLUTIONS	1532762-20201231	220.26	Open
				1532762-20210131	220.26	Open
				1532762-20210228	220.26	Open
					<u>660.78</u>	
03/18/2021	8464	10003909	Maria Fabiana Valy Gialdi	210011FY I	70.00	Open

03/24/2021 10:05 AM

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Check Date	Check	Vendor	Vendor Name	Invoice Number	Amount	Status
				210013SM I	70.00	Open
				210079LT I	70.00	Open
				200362SM I	70.00	Open
				210S01629A I	70.00	Open
				210S00407A I	70.00	Open
				190S25946B I	70.00	Open
				210011FY I	70.00	Open
					<u>560.00</u>	
03/18/2021	8465	00010900	Shred-It USA LLC	8181605505	128.15	Open
03/18/2021	8466	10004418	Susan M Moiseev	MOISEEV 3/12/21	325.30	Open
				MOISEEV 3/19/21	325.30	Open
					<u>650.60</u>	
				Total Paper Check:	<u>2,323.75</u>	

COURT TOTALS:

Total of 7 Checks:

2,323.75

Less 0 Void Checks:

0.00

Total of 7 Disbursements:

2,323.75

REPORT TOTALS:

Total of 92 Checks:

639,870.07

Less 0 Void Checks:

0.00

Total of 92 Disbursements:

639,870.07