Call to order
Moment of Silence
Pledge of Allegiance
Roll Call
Authorization to Excuse Members from Meeting
Amendments to and approve of the agenda
Approval of the Minutes
  1. October 29, 2014
Mayor or Deputy Mayor Report
Departmental Head Reports
Special Presentation
Community Announcements
Recognition of Elected Officials
Public Comment
Consent Agenda
  2. Resolution for the 50th District/Law Subcommittee Meeting.
Agreements/Contracts
  3. Resolution received from the City Engineer regarding the Right-of-way services bid.
  4. Resolution received from the City Engineer regarding the City of Pontiac Parking Lot and Sidewalk Removal Bid.
  5. Report received from the City Administrator regarding the Comcast franchise agreement.
Miscellaneous
  6. Report received from the City Administrator regarding the Tenant Verification Fee.
  7. Report received from the Finance Director regarding the participation in Oakland County’s LGIP
Ordinances
8. Resolution received from the City Planner concerning 45399 Woodward Avenue, M-1 Concourse Project Planning Commission Rezoning Recommendation.

Real Estate

9. Resolution received from the City Administrator concerning an offer to purchase Lot 1AP.

Public Comment

Clerk and Council Closing Comments

Adjournment
A Regular Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Wednesday, October 29, 2014 at 5:30 P.M. by President Patrice Waterman.

Moment of Silence

Pledge of Allegiance

Roll Call

Members Present: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward. Councilman Kermit Williams was absent. Mayor Waterman was present. Clerk announced a quorum.

14-410  **Excuse Councilman Kermit Williams.** Moved by Councilperson Woodward and supported by Councilperson Holland.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None

*Motion Carried.*

14-411  **Approval of the Agenda.** Moved by Councilperson Pietila and supported by Councilperson Taylor-Burks.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None

*Motion Carried.*

14-412  **Journal of October 23, 2014.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None

*Motion Carried.*

Mayor Waterman Report

Kermit Williams arrived at 5:35 p.m.

Departmental Head Report – Joseph Sobota City Administrator
Whereas, The Winner Circle Church purpose is to provide ministry, resources and programs to the overlooked and underserved, this is evident through the philanthropy and humanitarian efforts of this church such as: providing school tuition, purchase of school books, food and clothing for many families in Macomb, Wayne and Oakland County; and,

Whereas, The Winner Circle Church’s mission is to foster an environment where discovery of purpose is paramount under (3) basic concepts; We are Jesus Centered, Focused on Evangelism and People Minded, our vision is to bring salvation and a deeper relationship with Jesus Christ through teaching and training resulting in an outward display of service to God and his people, founded on Scripture 1 John 5:4.

Now, Therefore, Be It Resolved, that the Mayor and the Members of the Pontiac City Council sincerest congratulation and join in with the congregation of The Winner Circle Church as they celebrate and recognize their Pastor Leon McDonald, III and First Lady Kalonda McDonald on Sunday, November 2, 2014.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None

Resolution Adopted.
Councilman Williams was temporarily absent.

Miscellaneous Item#4-Resolution for the Senior Citizen Center requires more information before a vote will be taken. Council took no action on this item.

14-416 Resolution received from the City Planner concerning 45399 Woodward Avenue, M-1 Concourse Project Planning Commission Rezoning Recommendation. Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Whereas, on October 1, 2014 the Planning Commission held a public hearing and reviewed an application for rezoning of the former General Motors Validation Center property and the parking area property on South Boulevard near the intersection of Woodward Avenue and South Boulevard; and,

Whereas, on October 1, 2014, The Pontiac Planning Commission conditionally recommended that the former General Motors Validation Center facility parcel at the intersection of Woodward and South Boulevard, including the parking area parcel, be rezoned; and,

Whereas, the Planning Commission conditions for the rezoning recommendation to the City Council have been met as a result of the site plan review application for the M-1 Concourse, LLC project; and

Now, Therefore, Be It Resolved, that the Pontiac City Council accepts the recommendation of the Pontiac Planning Commission and adopts:

AN ORDINANCE TO AMEND APPENDIX B, OF THE MUNICIPAL CODE OF THE CITY OF PONTIAC TO AMEND ARTICLE 2, ZONING DISTRICTS AND PERMITTED USES, SECTION 2.103, ZONING MAP, TO CHANGE THE ZONING DISTRICT CLASSIFICATIONS FOR SPECIFIC PARCELS AT THE NORTHWEST CORNER AND
SOUTHWEST CORNER OF WOODWARD AVENUE AND SOUTH BOULEVARD FOR REZONING.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None
Resolution Adopted.
Councilman Williams was temporarily absent.

14-417 Defer for two weeks the resolution received from the City Administrator concerning an offer to purchase Lot 1AP. Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None
Resolution Adopted.
Councilman Williams was temporarily absent.

There were 7 individuals who address the body during public comments

Kermit Williams returned to the meeting at 6:30 p.m.

Deputy City Clerk Sheila R. Grandison, Councilman Mark Holland, Councilwoman Taylor-Burks, Councilman Don Woodward, Councilman Randy Carter, Councilman Kermit Williams, Pro Tem Mary Pietila and President Patrice Waterman made closing comments.

President Waterman adjourned the meeting at 7:02 p.m.

SHEILA R. GRANDISON
DEPUTY CITY CLERK
October 29, 2014

Community Announcement – Pontiac Sun Time Bank

Recognition of Elected Officials – Julienne Jenkins Pontiac Library Board

Kermit Williams was temporarily excused at 5:50 p.m.

14-413 Resolution received from the Mayor concerning the appointment of Mona Parlove to the Planning Commission. Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Resolved, that the City Council, upon recommendation of the Mayor, approve the appointment of Mona Parlove to fill the term vacated by the resignation of Scott Hudson expiring June 30, 2015.

Ayes: Carter, Holland, Taylor-Burks, Waterman and Woodward
No: None
Resolution Adopted.
Councilman Williams was temporarily absent.

14-414 Resolutions for the October 2014 DPW Subcommittee Meeting. (Consent Agenda) Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Be it Further Resolved that the Pontiac City Council approves the oral and written report of the October 2014 DPW Subcommittee Report, the City Clerk will properly keep all records.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman and Woodward
No: None
Resolution Adopted.
Councilman Williams was temporarily absent.

14-415 Resolution for Pastor Leon McDonald III. Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Whereas, in recognition of this special event we are grateful to acknowledge the numerous contributions by the clergy in the City of Pontiac; and,

Whereas, the human duty of all is to contribute not only of their earthly monetary substance, but of their time, talent and expertise which Pastor Leon McDonald, III has done; Acts 20:28 “Take heed therefore unto yourselves, and to all the flock, over which the Holy Ghost hath made you overseers, to feed the church of God, which he hath purchased with his own blood”; and,

Whereas, The Winner Circle Church was established at 176 North Gratiot by Pastor Leon McDonald, III and First Lady Kalonda McDonald in Mt. Clemens, Michigan in March 2011, under the movement of Holy Spirit, and in July, 2013 a second place of worship was established at 28 North Saginaw; and,
CONSENT AGENDA
Resolved that the Pontiac City Council accepts the written and oral report of the October 50th District Law and Subcommittee reports, the city clerk shall properly keep all records.
Meeting Held on Tuesday October 28, 2014  
Attendee’s: Mayor Waterman, President Waterman, Councilman Carter, Travis Mihelick, Chief Judge Walker and Chairperson Holland.  
Start Time: 5:35 Pm  
End Time: 6:45 Pm  

Discussion:  
• Selling city parking lot to McLaren Hospital more information is needed on this item. This matter is referred to Finance Subcommittee meeting for more information.  
• Updated information given on work been done within the 50th District Court building. Chief Judge Walker says “Progress is being made”.  
• City attorney will bring more information regarding the city council appointee’s to the Retirement Board and the legal definition of the word Default or Defaulted.  

Meeting Adjourned @ 6:45 Pm.
Pontiac City Council Resolution

Resolved that the Pontiac City Council accepts the written and oral report of the October 50th District Law and Subcommittee reports, the city clerk shall properly keep all records.
Meeting Held on Tuesday October 28, 2014
Attendee’s Mayor Waterman, President Waterman, Councilman Carter, Travis Mihelick, Chief Judge Walker and Chairperson Holland.
Start Time: 5:35 Pm
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Discussion:
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• Updated information given on work been done within the 50th District Court building. Chief Judge Walker says “Progress is being made”.
• City attorney will bring more information regarding the city council appointee’s to the Retirement Board and the legal definition of the word Default or Defaulted.

Meeting Adjourned @ 6:45 Pm.
TO: The Honorable City Council

CC: Sherikia Hawkins, City Clerk  
Joseph Sobota, City Administrator  
Terrence King, DPW Director

FROM: John Balint, City Engineer

DATE: October 31, 2014

RE: City of Pontiac Right-of-Way Services Bid

MESSAGE TYPE: URGENT, EXTREMELY TIME SENSITIVE

Below is a brief overview of the proposed City of Pontiac Right-of-Way Services Bid that was held on October 15, 2014 at 2:00 PM at City Hall.

The Engineering Division has prepared and advertised a project for Right-of-Way Services within the City. This work entails any work that the City may need within the right-of-way such as curb repair and replacement, asphalt/concrete patching (not potholes), catch basin and manhole rehabilitation and replacement. The items in the bid are work items that the City needs on a continual basis and at multiple times throughout the year.

Throughout this season, we have found on multiple occasions, the City has not been able to adequately respond to the needs within the right-of-way. We have had reports of catch basins collapsing, large areas of roadway heaving and storm sewer collapsing, etc. Without a contractor under contract, we cannot properly respond.

Bids for the work were received on September 3, 2014 at 2:00 pm. Three bids were received:

1. Fiore Enterprises of Detroit: $880,732.50*
2. Curbco Companies of Flint: $1,098,477.50*
3. Pavex of Trenton: $1,465,503.00*

*The project is an “As-Needed” services contract. The numbers above do not represent the actual contract amount for a given year. For bidding purposes, quantities were estimated /created in order for the contractors to provide unit prices as a basis for comparison.

The Department of Public Works would like the bid to be considered as soon as possible as there is a backlog of work that we would like to have addressed this paving season. Any questions prior to or subsequent to the City Council Meeting can be sent in writing or via email to either Mr. King (tking@pontiac.mi.us) or myself (jbalint@pontiac.mi.us).
This bid has been reviewed and approved by DPW and Purchasing Division Staff.

It is the recommendation of the Department of Public Works that the City accept the low bid of Fiore Enterprises.

WHEREAS,  

The City of Pontiac has received a bid in the amount of $880,732.50 from Fiore Enterprises for the Right-of-Way Services contract; and,

WHEREAS,  

The application bid documents have been reviewed and approved by the City Engineer and the City’s Purchasing Agent; and,

WHEREAS,  

It is the recommendation of the Department of Public Works that the bid be accepted and a contract for the work be signed;

NOW, THEREFORE,  

BE IT RESOLVED,  

The Pontiac City Council, after review by the City Engineer and City Purchasing Agent, and upon the recommendation of the Mayor, approves the Fiore Enterprises bid for the Right-of-Way Services Contract.

Be it further resolved that the Pontiac City Council designate Mr. Joseph M. Sobota to sign this agreement.

JVB/TK  

attachments
## City of Pontiac Right-of-Way Services
### Bid Tabulation
**10/15/2014, 2 pm in the Lions Den Conference Room**

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>ITEM</th>
<th>QUANTITY</th>
<th>UNIT</th>
<th>Unit Price</th>
<th>Total</th>
<th>Unit Price</th>
<th>Total</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Remove and Replace 4-inch sidewalk</td>
<td>500 Sft</td>
<td></td>
<td>$12.50</td>
<td>$6,250.00</td>
<td>$14.80</td>
<td>$7,400.00</td>
<td>$9.50</td>
<td>$4,750.00</td>
</tr>
<tr>
<td>2</td>
<td>Remove and Replace 6-inch sidewalk</td>
<td>250 Sft</td>
<td></td>
<td>$13.75</td>
<td>$3,437.50</td>
<td>$16.30</td>
<td>$4,075.00</td>
<td>$10.50</td>
<td>$2,625.00</td>
</tr>
<tr>
<td>3</td>
<td>Remove and Replace 8-inch sidewalk</td>
<td>250 Sft</td>
<td></td>
<td>$14.50</td>
<td>$3,625.00</td>
<td>$46.00</td>
<td>$11,500.00</td>
<td>$11.50</td>
<td>$2,875.00</td>
</tr>
<tr>
<td>4</td>
<td>Remove and Replace 9-inch sidewalk</td>
<td>250 Sft</td>
<td></td>
<td>$15.75</td>
<td>$3,937.50</td>
<td>$49.00</td>
<td>$12,250.00</td>
<td>$11.50</td>
<td>$2,875.00</td>
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<tr>
<td>5</td>
<td>Install 4-inch Sidewalk</td>
<td>500 Sft</td>
<td></td>
<td>$7.75</td>
<td>$3,875.00</td>
<td>$16.80</td>
<td>$8,400.00</td>
<td>$10.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Install 6-inch Sidewalk</td>
<td>250 Sft</td>
<td></td>
<td>$8.75</td>
<td>$2,187.50</td>
<td>$18.10</td>
<td>$4,075.00</td>
<td>$11.00</td>
<td>$2,750.00</td>
</tr>
<tr>
<td>7</td>
<td>Install 8-inch Sidewalk</td>
<td>250 Sft</td>
<td></td>
<td>$9.75</td>
<td>$2,437.50</td>
<td>$16.00</td>
<td>$4,000.00</td>
<td>$11.50</td>
<td>$2,875.00</td>
</tr>
<tr>
<td>8</td>
<td>Install 9-inch Sidewalk</td>
<td>100 Sft</td>
<td></td>
<td>$11.00</td>
<td>$1,100.00</td>
<td>$53.00</td>
<td>$5,300.00</td>
<td>$13.50</td>
<td>$1,350.00</td>
</tr>
<tr>
<td>9</td>
<td>Remove sidewalk and replace with Type 1 ADA Ramp with Detectable Warning</td>
<td>140 Sft</td>
<td></td>
<td>$40.00</td>
<td>$5,600.00</td>
<td>$66.00</td>
<td>$9,240.00</td>
<td>$11.00</td>
<td>$1,540.00</td>
</tr>
<tr>
<td>10</td>
<td>Remove sidewalk and replace with Type 2 ADA Ramp with Detectable Warning</td>
<td>140 Sft</td>
<td></td>
<td>$45.00</td>
<td>$6,300.00</td>
<td>$67.00</td>
<td>$9,380.00</td>
<td>$11.00</td>
<td>$1,540.00</td>
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<td>11</td>
<td>Remove sidewalk and replace with Type 4 ADA Ramp with Detectable Warning</td>
<td>800 Sft</td>
<td></td>
<td>$50.00</td>
<td>$40,000.00</td>
<td>$70.00</td>
<td>$56,000.00</td>
<td>$11.00</td>
<td>$8,800.00</td>
</tr>
<tr>
<td>12</td>
<td>Remove and replace concrete drive approach, 6&quot; (residential)</td>
<td>1,125 sf</td>
<td></td>
<td>$14.50</td>
<td>$16,312.50</td>
<td>$50.00</td>
<td>$26,250.00</td>
<td>$9.50</td>
<td>$10,687.50</td>
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<tr>
<td>13</td>
<td>Remove and replace concrete drive approach, 8&quot; (residential)</td>
<td>1,500 Sft</td>
<td></td>
<td>$15.75</td>
<td>$23,625.00</td>
<td>$51.00</td>
<td>$76,500.00</td>
<td>$11.00</td>
<td>$16,500.00</td>
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<td>14</td>
<td>Remove and replace concrete drive approach, 9&quot; (residential)</td>
<td>1,200 Sft</td>
<td></td>
<td>$16.50</td>
<td>$19,800.00</td>
<td>$55.00</td>
<td>$66,000.00</td>
<td>$12.00</td>
<td>$14,400.00</td>
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<tr>
<td>15</td>
<td>Topsoil</td>
<td>2,500 CYDS</td>
<td></td>
<td>$55.00</td>
<td>$137,500.00</td>
<td>$180.00</td>
<td>$450,000.00</td>
<td>$25.00</td>
<td>$62,500.00</td>
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<tr>
<td>16</td>
<td>Grass Seed &amp; Maintenance</td>
<td>10 50 lb Bag</td>
<td></td>
<td>$375.00</td>
<td>$3,750.00</td>
<td>$750.00</td>
<td>$7,500.00</td>
<td>$132.50</td>
<td>$1,325.00</td>
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<tr>
<td>17</td>
<td>Sod &amp; Maintenance</td>
<td>500 Sft</td>
<td></td>
<td>$9.50</td>
<td>$4,750.00</td>
<td>$3.00</td>
<td>$1,500.00</td>
<td>$4.00</td>
<td>$2,000.00</td>
</tr>
</tbody>
</table>

**Subtotal-Right-of-Way Items**

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>ITEM</th>
<th>QUANTITY</th>
<th>UNIT</th>
<th>Unit Price</th>
<th>Total</th>
<th>Unit Price</th>
<th>Total</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Remove &amp; Replace Concrete Curb &amp; Gutter</td>
<td>20 Sft</td>
<td></td>
<td>$50.00</td>
<td>$1,000.00</td>
<td>$35.00</td>
<td>$700.00</td>
<td>$54.00</td>
<td>$1,080.00</td>
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<tr>
<td>19</td>
<td>Remove &amp; Replace F1 Concrete Curb &amp; Gutter</td>
<td>20 Sft</td>
<td></td>
<td>$50.00</td>
<td>$1,000.00</td>
<td>$45.00</td>
<td>$900.00</td>
<td>$54.00</td>
<td>$1,080.00</td>
</tr>
<tr>
<td>20</td>
<td>Install New Concrete Curb and Gutter</td>
<td>20 Sft</td>
<td></td>
<td>$30.00</td>
<td>$600.00</td>
<td>$44.00</td>
<td>$880.00</td>
<td>$45.00</td>
<td>$900.00</td>
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<tr>
<td>21</td>
<td>Remove and Dispose of Miscellaneous Concrete</td>
<td>50 Cyds</td>
<td></td>
<td>$200.00</td>
<td>$10,000.00</td>
<td>$542.00</td>
<td>$27,100.00</td>
<td>$35.00</td>
<td>$1,750.00</td>
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<tr>
<td>22</td>
<td>Remove HMA Surface</td>
<td>200 Cyds</td>
<td></td>
<td>$150.00</td>
<td>$30,000.00</td>
<td>$238.00</td>
<td>$47,600.00</td>
<td>$35.00</td>
<td>$7,000.00</td>
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<tr>
<td>23</td>
<td>Crush &amp; Compact HMA</td>
<td>50 Cyds</td>
<td></td>
<td>$275.00</td>
<td>$13,750.00</td>
<td>$160.00</td>
<td>$8,000.00</td>
<td>$110.00</td>
<td>$5,500.00</td>
</tr>
<tr>
<td>24</td>
<td>Grind HMA Surface</td>
<td>100 Cyds</td>
<td></td>
<td>$300.00</td>
<td>$30,000.00</td>
<td>$270.00</td>
<td>$27,000.00</td>
<td>$110.00</td>
<td>$11,000.00</td>
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<tr>
<td>25</td>
<td>Install New HMA 130 T, 20AAA Overlay/Leveling Course</td>
<td>75 Tons</td>
<td></td>
<td>$475.00</td>
<td>$35,625.00</td>
<td>$269.00</td>
<td>$20,175.00</td>
<td>$120.00</td>
<td>$9,000.00</td>
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<tr>
<td>26</td>
<td>Install New HMA 1300L, 20AAA Base Course</td>
<td>140 Tons</td>
<td></td>
<td>$475.00</td>
<td>$66,500.00</td>
<td>$264.00</td>
<td>$36,960.00</td>
<td>$120.00</td>
<td>$16,800.00</td>
</tr>
<tr>
<td>27</td>
<td>Install HMA Hand Patching</td>
<td>100 Tons</td>
<td></td>
<td>$550.00</td>
<td>$55,000.00</td>
<td>$392.00</td>
<td>$39,200.00</td>
<td>$125.00</td>
<td>$12,500.00</td>
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<tr>
<td>28</td>
<td>Remove and Replace Concrete Pavement</td>
<td>15 Cyds</td>
<td></td>
<td>$625.00</td>
<td>$9,375.00</td>
<td>$1,696.00</td>
<td>$25,440.00</td>
<td>$275.00</td>
<td>$4,125.00</td>
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</tbody>
</table>

Total:
- **Floire**: $284,487.50
- **Pave-Ex**: $789,820.00
- **Curbco**: $144,392.50
<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Price</th>
<th>Subtotal</th>
<th>Price</th>
<th>Subtotal</th>
<th>Price</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install New Concrete Pavement</td>
<td>15 Cyds</td>
<td></td>
<td>$460.00</td>
<td>$6,900.00</td>
<td>$1,500.00</td>
<td>$22,500.00</td>
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<td>$3,525.00</td>
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<tr>
<td>Aggregate Base, 21AA</td>
<td>12 Cyds</td>
<td></td>
<td>$60.00</td>
<td>$720.00</td>
<td>$84.00</td>
<td>$1,080.00</td>
<td>$35.00</td>
<td>$420.00</td>
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<tr>
<td>Subgrade Undercutting</td>
<td>10 Cyds</td>
<td></td>
<td>$115.00</td>
<td>$1,150.00</td>
<td>$92.00</td>
<td>$920.00</td>
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<tr>
<td>Subtotal Roadway Items</td>
<td></td>
<td></td>
<td></td>
<td>$261,620.00</td>
<td></td>
<td>$258,383.00</td>
<td></td>
<td>$75,030.00</td>
</tr>
<tr>
<td>Catch Basin Repair-Shallow (0-8 Feet)</td>
<td>15 ea</td>
<td></td>
<td>$3,500.00</td>
<td>$52,500.00</td>
<td>$2,400.00</td>
<td>$36,000.00</td>
<td>$7,500.00</td>
<td>$112,500.00</td>
</tr>
<tr>
<td>Catch Basin Repair-Deep (8-15 Feet)</td>
<td>10 ea</td>
<td></td>
<td>$3,500.00</td>
<td>$35,000.00</td>
<td>$4,500.00</td>
<td>$45,000.00</td>
<td>$16,000.00</td>
<td>$160,000.00</td>
</tr>
<tr>
<td>Replace Existing Catch Basin</td>
<td>15 ea</td>
<td></td>
<td>$4,200.00</td>
<td>$63,000.00</td>
<td>$6,600.00</td>
<td>$99,000.00</td>
<td>$7,500.00</td>
<td>$112,500.00</td>
</tr>
<tr>
<td>Manhole Repair-Shallow (0-8 feet)</td>
<td>8 ea</td>
<td></td>
<td>$4,000.00</td>
<td>$32,000.00</td>
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<tr>
<td>Manhole Repair-Deep (8-15 feet)</td>
<td>4 ea</td>
<td></td>
<td>$4,000.00</td>
<td>$16,000.00</td>
<td>$4,800.00</td>
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<td>$4,500.00</td>
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<td>$2,750.00</td>
<td>$41,250.00</td>
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<td>$7,500.00</td>
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<tr>
<td>Replace Existing Inlet</td>
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<td></td>
<td>$2,750.00</td>
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<td>$725.00</td>
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<td>$23,125.00</td>
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<td></td>
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<td>$5,000.00</td>
<td>$350.00</td>
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<td>TOTAL</td>
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<td></td>
<td></td>
<td>$880,732.50</td>
<td></td>
<td>$1,465,503.00</td>
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<td>$1,098,477.50</td>
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Below is a brief overview of the proposed City of Pontiac Right-of-Way Services Bid that was held on November 3, 2014 at 1:00 PM at City Hall.

The Department of Public Works has prepared and advertised a bid for Parking Lot and Sidewalk Snow Removal within the City. This work entails snow plowing of City owned parking lots and sidewalk snow removal from any sidewalk adjacent to City owned Buildings or City owned lots. The items in the bid are work items that the City needs on a continual basis throughout the winter months.

At the end of this past winter season, our contract for snow removal for parking lots and sidewalks had expired. In addition, more locations were added that City staff plowed or shoveled in previous years.

Two bids for the work were received on November 3, 2014 at 1:00 pm. Two bids were received:

1. Redigan Outdoor Services: $4,995.00*
2. United Lawnscape, Inc.: Bid Not Acceptable**

*The total bid amount includes snow plowing, sidewalk shoveling, salting and physical removal of snow to another location. Not all of the above described will be utilized on a per-event basis. For example we might use plowing, shoveling for one event and not use salting and removal.

**The bid from United Lawnscape was found unacceptable since they did not use the most recent bid form and thus were missing some of the bid items.

References were checked for Redigan Outdoor Services. References provided were from Waterford Township Facilities and Operations Department and City of Pontiac Building and Safety Department. The bid documents dictate a one year contract with City options for years two and three.

The Department of Public Works would like the bid to be considered as soon as possible as there is a need to get this bid in front of the Transition Advisory Board in the month of
November. Any questions prior to or subsequent to the City Council Meeting can be sent in writing or via email to either Mr. King or myself.

This bid has been reviewed and approved by DPW and Purchasing Division Staff.

It is the recommendation of the Department of Public Works that the City accept the low bid of Redigan Outdoor Services.

WHEREAS, The City of Pontiac has received a from Redigan Outdoor Services for the Parking and Sidewalk Snow Removal Services contract; and,

WHEREAS, The application bid documents have been reviewed and approved by the City Engineer and the City’s Finance Director; and,

WHEREAS, It is the recommendation of the Department of Public Works that the bid be accepted and a contract for the work be signed;

NOW, THEREFORE, BE IT RESOLVED, The Pontiac City Council, after review by the City Engineer and City Finance Director, and upon the recommendation of the City Administrator, approves the Redigan Outdoor Services bid for the Parking Lot and Sidewalk Snow Removal Services.

Be it further resolved that the Pontiac City Council designate Mr. Joseph M. Sobota to sign this agreement.

attachment
### Bid Tabulation
City Parking and Sidewalks  
3-Nov-14

#### Redigan Outdoor Services

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Plowing</th>
<th>Sidewalk</th>
<th>Salting</th>
<th>Removal</th>
<th>Plowing</th>
<th>Sidewalk</th>
<th>Salting</th>
<th>Removal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>City Hall</td>
<td>$260.00</td>
<td>$125.00</td>
<td>$300.00</td>
<td>$450.00</td>
<td>$455.00</td>
<td>$194.00</td>
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<td>2</td>
<td>Sheriff Department</td>
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<td>3</td>
<td>Bowen Center</td>
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<td>$140.00</td>
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<td>$231.00</td>
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<td>4</td>
<td>Ruth Peterson Center</td>
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<td>6</td>
<td>On-Street Parking</td>
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<td></td>
<td>Saginaw North of Plaza (121 Spaces)</td>
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<td></td>
<td>Saginaw South of Plaza (8 Spaces)</td>
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<td>Lawrence Street (39 Spaces)</td>
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<tr>
<td></td>
<td>Oakland Ave. (15 Spaces)</td>
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<td>Perry (5 Spaces)</td>
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<td></td>
<td>Warren (2 Spaces)</td>
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<td>7</td>
<td>Salt ($/Ton), ($/Manhour)</td>
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<tr>
<td>8</td>
<td>Walkway in Front of Phoenix</td>
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<td></td>
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<tr>
<td>9</td>
<td>Park on Saginaw</td>
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</tr>
<tr>
<td>10</td>
<td>Vacant Property (Cesar Chavez/Saginaw)</td>
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Total:  
$1,100.00  
$530.00  
$1,115.00  
$2,250.00  

**Grand Total:**  
$4,995.00  

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*Total services will not necessarily be utilized in any given event. In most cases, an event will be plowing and sidewalks but not salting or removal. Other events may involve salting and not plowing or sidewalk. Removal will only be used in large snow situations. **United Lawnscape bid was not accepted due to not bidding on all items and using an old bid form.*
Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator

Date: November 3, 2014

Re: Comcast franchise agreement

The City received the attached correspondence and proposed franchise agreement from Comcast on October 16, 2014. This agreement is governed under Public Act 480 of 2006 (MCL 484.3301 et seq.). Under the law, the City has 15 days upon receipt to determine if the agreement is "complete". Once the determination is made that the agreement is "complete", the City has 30 days to approve the agreement.

The City Attorney has reviewed the agreement and has determined that the agreement is "complete" (meaning the agreement complies with the law). I notified Comcast that the agreement was "complete" on October 29, 2014.

The proposed agreement provides the City with a 5% franchise fee (section VI) and a 2% PEG fee (section VIII). The PEG fee is being increased from 1% to 2%, which is the maximum limit permitted by law and also is the same fee assessed to AT&T customers. The City is required by law to have all cable providers pay the same fees. The franchise fee is also set at the highest rate permitted by law. Both fees are passed on to the customer by Comcast. Proceeds from the franchise fees are deposited in the General Fund and are used for the general benefit of the City ($450,000) and the PEG fees are deposited in the Cable Fund and are used for the operation of the public, educational, and government channels ($100,000).

The proposed agreement is for a ten-year term.

If City Council wishes to approve the proposed franchise agreement, I am recommending that the following resolution be adopted:

Whereas, Comcast has presented to the City of Pontiac a proposed Uniform Video Service Local Franchise Agreement; and,

Whereas, the City Attorney has reviewed the proposed Agreement and has determined that the agreement is "complete"; and,

Whereas, the Pontiac City Council wishes to continue to engage the services of Comcast within the corporate limits to provide cable television to its residents;

Now, therefore, be it resolved, the Pontiac City Council hereby approves the Uniform Video Service Local Franchise Agreement as presented and authorizes the City Administrator to execute the documents.
October 15, 2014

Ms. Sherikia Hawkins, Clerk
City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

Re: Michigan Uniform Video Service Local Franchise Agreement

Dear Ms. Hawkins:

In accordance with the instructions set forth by the Michigan Public Service Commission in its provision of the Uniform Video Service Local Franchise Agreement, enclosed please find two completed Uniform Video Service Local Franchise Agreements along with the necessary Attachment Is thereto filed on behalf of Comcast of Michigan/Mississippi/Tennessee, Inc. Kindly return one executed copy of the Agreement to me in the self addressed stamped envelope.

If you have any questions, please contact me directly or Leslie Brogan, Senior Director of Government Affairs, at . We look forward to continuing to be the company that your residents look to first for the communication products and services that connect them to what’s important in their lives.

Sincerely,

Gerald W. Smith
Senior Government Affairs Manager
Comcast, Michigan Region
36250 Van Dyke Ave.
Sterling Heights, MI 48312

CC: Clarissa Grigsby, Cable Administrator

Enclosure
Pursuant to 2006 Public Act 480, MCL 484.3301 et seq, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.
2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.
3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

The forms shall meet the following requirements:

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. "Attachment 2 - Uniform Video Service Local Franchise Agreement" is not required to be filed at this time unless it is being used regarding amendments, terminations, or transfers pertaining to an existing Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)

- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

  1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[insert PROVIDER'S NAME] [CONFIDENTIAL INFORMATION]"
2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

- Responses to all questions must be provided and must be amended appropriately when changes occur.
- All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
- The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate "dropdown box" (City/Village/Township) when indicated.
- For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
- The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing Attachment 3 - Uniform Video Service Local Franchise Agreement.
- For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the "Attachment 2 - Uniform Video Service Local Franchising Entity" form, and send the form to the appropriate Franchising Entity.
- For information that is to be submitted to the Michigan Public Service Commission, please use the following address:
  
  Michigan Public Service Commission  
  Attn: Video Franchising  
  6545 Mercantile Way  
  P.O. Box 30221  
  Lansing, MI 48909  
  Fax: (517) 241-6217  

  Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 241-6200.
THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 et seq, (the "Act") by and between the City of Pontiac, a Michigan municipal corporation (the "Franchising Entity"), and Comcast of Michigan/Mississippi/Tennessee, Inc., a Delaware Corporation doing business as Comcast.

I. Definitions

For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

A. "Cable Operator" means that terms as defined in 47 USC 522(5).
B. "Cable Service" means that terms as defined in 47 USC 522(6).
C. "Cable System" means that term as defined in 47 USC 522(7).
E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
F. "FCC" means the Federal Communications Commission.
G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider’s existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
J. "IPTV" means internet protocol television.
K. "Local unit of government" means a city, village, or township.
L. "Low-income household" means a household with an average annual household income of less than $35,000.00 as determined by the most recent decennial census.
M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 et seq.
N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
Q. "Term" means the period of time provided for in Section V of this Agreement.
R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
S. "Video programming" means that term as defined in 47 USC 522(20).
T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
U. "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.
II. Requirements of the Provider

A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under Section 3 of the Act (except as otherwise provided by the Act).

B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.

C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.

D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.

E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.

F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.

G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309(c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.

H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.

I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.

J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.

K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.

L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.

M. The Provider provides an exact description of the video service area footprint to be served, pursuant to Section 2(3)(e) of the Act. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) of the Act must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.

N. The Provider is required to pay the Provider fees pursuant to Section 6 of the Act.

III. Provider Providing Access

A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.

B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
   i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
   ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.

C. [If the Provider is using telecommunication facilities] to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication
service area in Michigan within 3 years of the date it began providing video service under the Act and
Agreement and to a number not less than 50% of these households within 6 years. The video service
Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least
30% of the households with access to the Provider's video service subscribe to the service for
6 consecutive months.

D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a
waiver of or an extension of time to meet the requirements of this section if 1 or more of the following
apply:
   i. The inability to obtain access to public and private rights-of-way under reasonable terms and
      conditions.
   ii. Developments or buildings not being subject to competition because of existing exclusive service
      arrangements.
   iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial
      reasonable terms and conditions.
   iv. Natural disasters
   v. Factors beyond the control of the Provider

E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made
   substantial and continuous effort to meet the requirements of this section. If an extension is granted, the
   Franchising Entity or Commission shall specify the requirement or requirements waived.

F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the
   progress that has been made toward compliance with paragraphs B and C.

G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the
   Act through the use of alternative technology that offers service, functionality, and content, which is
demonstrably similar to that provided through the provider's video service system and may include a
technology that does not require the use of any public right-of-way. The technology utilized to comply with
the requirements of this section shall include local public, education, and government channels and messages
over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service
   area footprint, as described in this Agreement and Attachments, as well as the Act.

B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in
   the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the
   Franchising Entity.

C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete
   as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the
   Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the
   Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete
   because it may dispute whether or not the applicant has properly classified certain material as "confidential."

D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to
   approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of
   the Franchise Agreement or approve the Franchise Agreement within the time periods required under
   Section 3(3) of the Act, the Franchise Agreement shall be considered complete and the Franchise
   Agreement approved.

   i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail:
certified or registered, or by fax) notice to the Franchising Entity and the Commission, using
Attachment 3 of this Agreement.

E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or
   communications network within a public right-of-way and shall provide the provider with open, comparable,
nondiscriminatory, and competitively neutral access to the public right-of-way.

F. The Franchising Entity may not discriminate against a video service provider to provide video service for any
   of the following:

   i. The authorization or placement of a video service or communications network in public right-of-way.
   ii. Access to a building owned by a governmental entity.
   iii. A municipal utility pole attachment.

G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on
   incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising
   Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has
paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by Section 9 of the Act.

J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to Section 3(3) of the Act. If the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.

B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under Section 3(7) of the Act.

VI. Fees

A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
   i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
   ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of % (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers

B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.

D. For purposes of this Section, “gross revenues” means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.

1. Gross revenues shall include all of the following:
   i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
   ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
   iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
   iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider’s video service.
   v. All revenue derived from compensation arrangements for advertising to the local franchise area.
   vi. Any advertising commissions paid to an affiliated third party for video service advertising.

2. Gross revenues do not include any of the following:
   i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
   ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.
VII. Public, Education, and Government (PEG) Channels

A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the effective date of the Act or as provided under Section 4(14) of the Act.

B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.

C. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(1) of the Act, applied against the amount of the subscriber's monthly bill.

D. In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider’s revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

E. The Provider is entitled to a credit applied toward the fees due under Section 6(1) of the Act for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act), 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the METRO Act. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the METRO Act.

F. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

G. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

H. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(1) of the Act, applied against the amount of the subscriber’s monthly bill.

I. The Provider may demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VIII. Sales of capital assets or surplus equipment.

ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.

x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

E. The Provider is entitled to a credit applied toward the fees due under Section 6(1) of the Act for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act), 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the METRO Act. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the METRO Act.

H. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

I. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

J. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(1) of the Act, applied against the amount of the subscriber’s monthly bill.

K. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the effective date of the Act or as provided under Section 4(14) of the Act.

B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity may be programmed at the Provider’s discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.

C. The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the
IX. Audits

D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider shall not exercise any editorial control over any programming on any channel designated for public, education, or government use.

E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

F. If a Franchising Entity seeks to utilize capacity pursuant to Section 4(1) of the Act or an agreement under Section 13 of the Act to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under Section 13 of the Act. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.

G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:

1. If there is an existing Franchise on the effective date of the Act, the fee (PEG) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;

2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is 1% of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);

3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is _______2% of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues); and

4. An amount agreed to by the Franchising Entity and the video service Provider.

B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.

C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

E. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(8) of the Act, applied against the amount of the subscriber's monthly bill.

G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under Section 6 of the Act to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity’s submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity’s reasonable costs of the audit.

B. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.
X. Termination and Modification

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under Section 9 of the Act, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. Transferability

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. Change of Information

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. Confidentiality

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

A. The Provider may specify which items of information should be deemed “confidential.” It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information: "[insert PROVIDER’S NAME] [CONFIDENTIAL INFORMATION]"

B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. Complaints/Customer Service

A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.

B. The Provider shall be subjected to the penalties, as described under Section 14 of the Act, and the Franchising Entity and Provider may be subjected to the dispute process as described in Section 10 of the Act.

C. Each Provider shall annually notify its customers of the dispute resolution process required under Section 10 of the Act. Each Provider shall include the dispute resolution process on its website.

D. Before a customer may file a complaint with the Commission under Section 10(5) of the Act, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in Section 10(2) of the Act.

E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in Section 10(5) of the Act.

F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in Section 10(6) of the Act.

G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by Section 2(3)(I) in the Act.
XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

<table>
<thead>
<tr>
<th>If to the Franchising Entity:</th>
<th>If to the Provider:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(must provide street address)</td>
<td>(must provide street address)</td>
</tr>
</tbody>
</table>

City of Pontiac:

1. 41112 Concept Dr.
Plymouth, MI 48170
Attn: VP of Government Affairs
Fax No.: 248-233-4719

2. 600 Galleria Pkwy
Atlanta, GA 30339
Attn: Sen. Vice President, Government Relations

3. One Comcast Center
Philadelphia, PA 19103
Attn: Government Affairs Department

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

A. Governing Law. This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
B. The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.
C. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
D. Power to Enter. Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
E. The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

City of Pontiac, a Michigan Municipal Corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC, a Delaware Corporation doing business as Comcast

By

Timothy P. Collins

Print Name

Regional Senior Vice President

Title

Address

41112 Concept Drive

Plymouth, MI 48170

City, State, Zip

248-233-6736

Phone

248-233-4719

Fax

Tim_Collins@cable.comcast.com

Email

FRANCHISE AGREEMENT (Franchising Entity to Complete)

Date submitted:

Date completed and approved:
**ATTACHMENT 1**

**UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT**
(Pursuant To 2006 Public Act 480)
(Form must be typed)

<table>
<thead>
<tr>
<th>Date:</th>
<th>October 6, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant's Name:</td>
<td>Comcast of Michigan/Mississippi/Tennessee, Inc.</td>
</tr>
<tr>
<td>Address 1:</td>
<td>41112 Concept Dr.</td>
</tr>
<tr>
<td>Address 2:</td>
<td>Phone: 248-233-4700</td>
</tr>
<tr>
<td>City:</td>
<td>Plymouth</td>
</tr>
<tr>
<td>State:</td>
<td>MI</td>
</tr>
<tr>
<td>Zip:</td>
<td>48170</td>
</tr>
<tr>
<td>Federal I.D. No. (FEIN):</td>
<td>51-0262115</td>
</tr>
</tbody>
</table>

**Company executive officers:**

<table>
<thead>
<tr>
<th>Name(s):</th>
<th>Timothy P. Collins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title(s):</td>
<td>Regional Senior Vice President</td>
</tr>
</tbody>
</table>

**Person(s) authorized to represent the company before the Franchising Entity and the Commission:**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Gerald W. Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Senior Government Affairs Manager</td>
</tr>
<tr>
<td>Address:</td>
<td>27800 Franklin Rd., Southfield, MI 48034</td>
</tr>
<tr>
<td>Phone:</td>
<td>586-883-7075</td>
</tr>
<tr>
<td>Fax:</td>
<td>Email: <a href="mailto:Gerald_Smith@cable.comcast.com">Gerald_Smith@cable.comcast.com</a></td>
</tr>
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<table>
<thead>
<tr>
<th>Name:</th>
<th>Leslie A. Brogan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Senior Director, Government Affairs</td>
</tr>
<tr>
<td>Address:</td>
<td>1401 E. Miller Rd., Lansing, MI 48911</td>
</tr>
<tr>
<td>Phone:</td>
<td>517-334-5890</td>
</tr>
<tr>
<td>Fax:</td>
<td>517-334-1880</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:Leslie_Brogan@cable.comcast.com">Leslie_Brogan@cable.comcast.com</a></td>
</tr>
</tbody>
</table>

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

As an incumbent provider, Comcast, is satisfying this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise entered before the effective date of this act.
[Option A: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[Option B: for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[Option C: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date:

For All Applications:

Verification
(Provider)

I, Timothy P. Collins, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Timothy P. Collins, Regional Senior Vice President

Signature: [Signature] Date: 10-14-14

(Franchising Entity)

City of Pontiac, a Michigan municipal corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Date
ATTACHMENT 2

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT
(Pursuant to 2006 Public Act 480)
(Form must be typed)

Affected Franchise Agreement(s):

<table>
<thead>
<tr>
<th>Date:</th>
<th>Type of Change (Check one):</th>
<th>□ Amended</th>
<th>□ Termination</th>
<th>□ Transfer</th>
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Current information on record:

<table>
<thead>
<tr>
<th>Applicant's Name:</th>
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<td>Address 1:</td>
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<td>Address 2:</td>
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<td>City:</td>
<td>State:</td>
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<tr>
<td>Federal I.D. No. (FEIN):</td>
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For Amended Agreement(s):

Agreement that is being Amended:

Types of Amendments:

A. Change in Legal Name or assume business name, etc. (Approval from Secretary of State must be attached.)

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<table>
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<tr>
<td>1. Existing Name:</td>
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<tr>
<td>2. New Name:</td>
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B. Change in Principal Business Address or Name of Person Authorized to Receive Notice.

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<tbody>
<tr>
<td>1. New Principal/business office address:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address 1:</td>
<td>Address 2:</td>
<td>City, State, Zip:</td>
</tr>
<tr>
<td>Email:</td>
<td>Phone:</td>
<td>Fax:</td>
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<tr>
<td>2. New Name and Title of person authorized to receive notice:</td>
<td></td>
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</tr>
<tr>
<td>Name:</td>
<td>Title:</td>
<td></td>
</tr>
<tr>
<td>Address 1:</td>
<td>Address 2:</td>
<td>City, State, Zip:</td>
</tr>
<tr>
<td>Email:</td>
<td>Phone:</td>
<td>Fax:</td>
</tr>
</tbody>
</table>
C. Increase/Decrease in the Territory:

1. Reason for the change:

2. Description of change:

3. List the new unit(s) and unincorporated area(s) to be served under this change:

D. Additional changes (please attach any additional changes that have been made, which have not been previously recorded in this Attachment):

For Termination:

| Effective date of Termination: |
| Agreement associated with the Termination: |
| Identify the number of customers covered by the Agreement being terminated: |
| Identify the method used to notify the Franchising Entity of the termination of service (Attach a copy of the notification): |

For Transfer of Agreement(s):

(A transfer will require the new franchise holder or new controlling parent company to complete the information for the “New Agreement Holder”)

| Name of Current Franchise Holder: |
| Contact Name: |
| Address 1: |
| Address 2: |
| City, State, Zip: |
| Email: |
| Phone: |
| Fax: |
| Federal I.D. No. (FEIN): |
**Name of New Franchise Holder or controlling parent company as applicable:**

<table>
<thead>
<tr>
<th>Contact Name:</th>
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<tbody>
<tr>
<td>Address 1:</td>
</tr>
<tr>
<td>Address 2:</td>
</tr>
<tr>
<td>City, State, Zip:</td>
</tr>
<tr>
<td>Email:</td>
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<td>Phone:</td>
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<td>Fax:</td>
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<tr>
<td>Federal I.D. No. (FEIN):</td>
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<td>Email:</td>
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</table>

**Company executive officers:**

<table>
<thead>
<tr>
<th>Name(s):</th>
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<tbody>
<tr>
<td>Title(s):</td>
</tr>
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</table>

**Person(s) authorized to represent the company before the Franchising Entity and the Commission:**

*Describe the video service area footprint as set forth in Section 2(3)(e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)*

**Option A**, for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards

**Option B**, for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity*
[Option C. for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Explain the transaction that defines the transferee as a successor in interest (Attachments are acceptable):

<table>
<thead>
<tr>
<th>Effective date of Transfer:</th>
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</thead>
<tbody>
<tr>
<td>(Per 2006 Public Act 480: A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer)</td>
</tr>
<tr>
<td>Agreement associated with the Transfer:</td>
</tr>
</tbody>
</table>

For All Applications: Verification

(Provider)

I, [insert NAME], of lawful age, and being first duly sworn, now state: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

<table>
<thead>
<tr>
<th>Name and Title (printed):</th>
<th>Date:</th>
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</thead>
<tbody>
<tr>
<td>Signature:</td>
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</table>

(Franchising Entity)

City of [insert NAME of City/Village/Township], a Michigan municipal corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Date

ATTACHMENT 2
THE UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is considered completed and approved on this date [insert month & day], 20[insert two digit year], pursuant to 2006 PA 480, Section 3(3) between City of [insert NAME of City/Village/Township], a Michigan municipal corporation (the "Franchising Entity"), and [insert NAME of Video Franchising Entity], a [insert NAME of State of incorporation/formation] corporation doing business as [insert DBA name].

Pursuant to Section 3(3) of the Act, "A Franchising Entity shall have 30 days after the submission date of a complete franchise agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the franchise agreement or approve the franchise agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the franchise agreement approved."

The Uniform Video Service Local Franchise Agreement was first filed on [insert month & day], 20[insert two digit year], and has exceeded the 30 day submission date (pursuant to Section 3(3) of the Act) on [insert month & day], 20[insert two digit year]. Attachment 3 is being sent as a notification of a Franchise Agreement that is considered completed and approved to both City of [insert NAME of City/Village/Township], a Michigan municipal corporation (the "Franchising Entity"), as well as the Michigan Public Service Commission.

I, [insert NAME], of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed):

Signature: Date:
Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator

Date: September 22, 2014

Re: Tenant verification fee

Sections 22-764(d) and 22-802(d) of the Code of Ordinances allow the City to charge a tenant verification fee for rental properties. The fee must be established by the City Council before December 1. In 2013, the fee was $75.00. In 2014, the fee was $50.00. For 2015, the Finance Director and the Department of Building Safety recommend that the fee be established at $25.00. As the City continues to see increased compliance with the rental registration and inspection ordinance, the amount of resources that Wade Trim needs to commit to this program is reduced. In 2016, we hope to recommend a fee of $10.00 or less.

If your Honorable Body concurs, Council is requested to adopt the following resolution:

Whereas, the City has the ability to charge a tenant verification fee as provided in Sections 22-764(d) and 22-802(d) of the Code of Ordinances, provided that such fee is established by City Council before December 1; and,

Whereas, the Finance Director, Department of Building Safety, and City Administrator recommend that a $25.00 fee be established to be effective January 1, 2015 for the entire calendar year;

Now, therefore, be it resolved, that the Pontiac City Council establishes a tenant verification fee in the amount of $25.00 effective January 1, 2015.
Memorandum

To: Pontiac City Council
From: Nevrus P. Nazarko, Finance Director
Date: September 22, 2014
Re: Participation in Oakland County’s LGIP

Currently, City of Pontiac does not have any investments with financial institutions authorized by the city’s current investment policy. Given the fact that we have established a fund balance in the General Fund as well as other funds, it is prudent to start investing some of the idle money periodically into some type of investments that provide earnings at a low risk.

During my research of various investment opportunities I have come across the Oakland County Local Government Investment Pool that I believe is our best option at the present time for these reasons:

- The LGIP is managed in accordance with the "2a- 7 like pool" risk limiting requirements of GASB Statement No. 31.
- The portfolio securities are valued by the amortized cost method, and on a monthly basis this valuation is compared to current market to monitor any variance.
- At the time of purchase, portfolio securities must have a remaining maturity of three years or less.
- Whenever possible, investments are limited to short-term, high quality credits that can be readily converted into cash with little price variation.

I have used the Oakland County LGIP when I worked for a different community. This investment option is permitted under Section VII(1)i of the City’s Investment Policy (see attached). No more than 25% of the City’s assets may be invested in this type of investment vehicle. In order to participate in this program, the Oakland County Treasurer has requested that the Pontiac City Council pass the following resolution.

A decision is requested by October 9, 2014 since the TAB will be required to approve the resolution, and their agenda is going to be prepared before the October TAB meeting.
RESOLUTION AGREEING TO ENTER INTO A LOCAL GOVERNMENT INVESTMENT POOL WITH THE OAKLAND COUNTY TREASURER:

WHEREAS, The Oakland County Treasurer is authorized by County Commission Resolution to establish a local government investment pool, and

WHEREAS, the City Treasurer is authorized, through City Council Resolution, to enter into a contract with the County Treasurer for deposit of money in the investment portfolio, and

WHEREAS, the terms and conditions regarding the deposit of money in the investment portfolio are stated in a uniform contract which has been approved by the Michigan Department of Treasury,

NOW, THEREFORE, BE IT RESOLVED, that the Pontiac City Council authorizes the City Treasurer, to enter into the local investment pool and to sign the Investment Portfolio Agreement, as attached to this Resolution as Exhibit A.
Date: ____________________

New Account / Account Change (circle one)

Public Unit Name / Account Name: ______________________________________________________

Mailing Address: ________________________________________________________________

Telephone Number: ______________________________________________________________

Fax Number: ________________________________________________________________

Tax Identification Number: _______________________________________________________

E-mail address: ________________________________________________________________

I ____________________________, ____________________________________________________

Name & Title of Authorized Public Official (Type or Print) Signature

Of ____________________________, am the duly authorized public official charged with the duty
of handling public funds for the aforementioned public unit. Pursuant to such authority, I am authorized to
delegate and have delegated to the following persons the authority to communicate with the County Treasurer’s
office to advise of local decisions to deposit or withdraw funds from the Local Government Investment Pool,
including myself:

1. ____________________________ 2. ____________________________

_________________________________________ (Title) ____________________________ (Title)

The County Treasurer’s office is hereby authorized to make deposits or withdrawals from this public unit’s
account upon receipt of telephone instructions from the above named individual(s), who will identify
themselves by name and public unit name. Such individuals are authorized to act for this public unit until their
authority is revoked by written notice to the County Treasurer’s office, which notice will be effective upon
receipt.
WITHDRAWAL ACH TRANSFER INSTRUCTIONS:

I hereby authorize the County LGIP to act upon instructions received by telephone to have amounts withdrawn from my account in the LGIP and sent by ACH to the bank account designated below. Exceptions to these instructions will not be honored.

<table>
<thead>
<tr>
<th>Name of Bank</th>
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<tbody>
<tr>
<td>ABA #</td>
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<tr>
<td>Account Number</td>
<td></td>
</tr>
<tr>
<td>Account Name</td>
<td></td>
</tr>
<tr>
<td>Bank Address</td>
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</tbody>
</table>
OVERVIEW

PURPOSE

The Local Government Investment Pool (LGIP) offers public entities of Oakland County the opportunity to participate in the County’s diversified portfolio, which is structured to meet and exceed the requirements of Michigan’s statutes regarding the investment of public funds. Within the framework of Michigan statutes, the LGIP is structured to provide public entities an investment alternative that minimizes the risk of principal loss, while offering liquidity and a competitive rate of return. Through the LGIP, public entities can share in the benefits and advantages of large-scale institutional investment management provided by the Investment Unit of the County Treasurer’s office.

STATUTORY AUTHORITY

Section 4 of Local Government Investment Pool Act allows the Treasurer of Oakland County, if authorized by the Board of Commissioners, to establish a local government investment pool (LGIP).

POLICY STATEMENT

It is the policy of the LGIP, pursuant to the Investment Policy of Oakland County, to invest the LGIP assets in a manner which will seek the highest investment return consistent with the preservation of principal; to manage the LGIP portfolio to meet the daily liquidity needs of participants; to ensure compliance with all Michigan statutes governing the investment of public funds; and to administer the LGIP in a manner which enables localities to comply with generally accepted accounting principles and the Governmental Accounting Standards Board’s (GASB) reporting requirements. LGIP is offered exclusively and continuously to public entities of Oakland County.

The County Treasurer is committed to managing the portfolio in accordance with certain risk limiting provisions which help maintain a stable net asset value (NAV) of $1.00 per share. Although the LGIP cannot guarantee a $1.00 share price, this goal is facilitated as follows:

- The LGIP is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31.
- The portfolio securities are valued by the amortized cost method, and on a monthly basis this valuation is compared to current market to monitor any variance.
- At the time of purchase, portfolio securities must have a remaining maturity of three years or less.
- Whenever possible, investments are limited to short-term, high quality credits that can be readily converted into cash with little price variation.

YIELD INFORMATION

The portfolio yield is available on a daily basis by calling the County Treasurer Investment staff at (248) 858-0626. Yields are quoted net of the management and administration fee.

The "Daily Yield" refers to the income generated by your investment on that day, expressed as an annual percentage. Both the Daily Yield and the Average Monthly Yield reflect the same methodology-averaged over the applicable period.
The "Effective Yield" assumes that the income earned is reinvested based on the stated period. It is slightly higher due to the effect of monthly compounding.

**NET ASSET VALUE (NAV)**

The NAV of the portfolio is determined at the close of each business day. It is calculated by adding the amortized cost value of all portfolio securities and other assets, deducting actual and accrued liabilities, and dividing by the number of units (shares) outstanding.

**VALUATION**

The portfolio is valued by the amortized cost valuation technique, which does not take into account unrealized gains and losses. Externally managed pools are permitted to use this method of valuation pursuant to Rule 2a-7 of the Securities and Exchange Commission; provided, certain risk limiting conditions are met to minimize share price fluctuations. The portfolio adheres to these rules pursuant to its investment guidelines.

The amortized cost valuation method values securities at their acquisition cost adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors. While this method provides certainty of valuation, it may result in periods during which values as determined by amortized cost are higher or lower than the price the LGIP would receive if the individual securities were sold. To monitor the extent of any fluctuation, the LGIP portfolio is marked-to-market on a monthly basis and the market-based valuation is compared to the amortized cost valuation.

**ADVANTAGES**

The LGIP offers Oakland County public entities investment diversification, liquidity, and professional portfolio management. Through participation in the LGIP, Oakland County public entities can take advantage of:

1. **Convenience and Compliance** - Participants own shares of the County's diversified portfolio, which is managed in compliance with Michigan's state statutes.
2. **Cash Management** - Next day liquidity permits flexibility and fine-tuning of cash management needs.
3. **Costs** - All administrative and management fees are deducted from the portfolio earnings prior to distribution of the earnings to participants; therefore, fees are totally transparent to participants. (See Management Fees for fee calculation).
4. **Statements** - Monthly statements include all transactions, the earnings rate, and the monthly dividend/interest.
5. **Competitiveness** - The LGIP offers a competitive rate of return, which should enhance the rates offered to you on alternative investments.

**PERFORMANCE**

The County's portfolio has consistently exceeded its investment objective of providing investors with a high level of current investment income consistent with the constants of its primary objective of preservation of principal.
MANAGEMENT AND COMPLIANCE

INVESTMENT MANAGEMENT

The Treasurer of Oakland County and the Investment Unit of the County Treasurer’s office serve as investment adviser to the portfolio. The Treasurer and his staff are responsible for the direct management of the investments; the development of cash management policies; forecasting cash receipts and disbursements; procurement of banking services, and the issuance and management of the County's debt.

The Treasurer's investment staff, subject to approved polices and guidelines issued by the Board of Commissioners, make investment decisions for the portfolio and execute orders to buying and selling of securities on behalf of the portfolio. The County Treasurer has contracted with a third party (which may change from time to time based on the direction of the County Treasurer) to provide Custody services for the portfolio.

MAINTENANCE OF CONSTANT SHARE PRICE

Shares are purchased and redeemed at their NAV which, barring extraordinary circumstances, will maintain the constant price of $1.00 per share. Management procedures used to facilitate this end include minimizing market and credit risks while maintaining sufficient liquidity through investments in short-term, high quality credits that can readily be converted into cash with limited price variation.

MANAGEMENT FEES

Pool participants are charged an all-inclusive .037% annual management fee, which is deducted from the earnings prior to distribution to participants. For example, the annual fee for each $1,000 invested in the LGIP is $0.362129. The fee is totally transparent to participants.

The management fee is based on both Direct and indirect costs associated with the operation of the investment pool and therefore, can change from time to time based on changes in those costs.

SAFEKEEPING POLICIES

Established safekeeping policies of the portfolio ensure that securities purchased by the Treasurer's office are held in a manner that maximizes the Treasurer's ability to maintain control over such securities at all times. All deliverable security transactions are conducted as delivery versus payment (DVP); i.e., the custody bank will not release the funds to pay for purchased securities until securities are delivered, regardless of settlement date. Portfolio securities are required to be held in the portfolio’s custody account and kept separate from all securities owned by the bank. The ownership and title to such securities remain vested in the Treasurer, the legal custodian of the securities. The Trust Department of the third party (current portfolio custodian), holds the portfolio's securities, in custody, if items are deliverable.

Repurchase Agreements, if used, are collateralized at 102% with U.S. Treasury and/or federal agency securities. A custodial bank holds the collateralized securities for the portfolio until the agreement(s) matures. Provisions of the repurchase agreement require the securities to be marked to market on a daily basis. At the time of pricing, market value must equal at least 102% of the repurchase agreement principal, plus accrued interest in the case of term repurchase agreements.
GASB STATEMENT NO.3

Pooled investment funds, like the LGIP, are recognized as an investment type under GASB Statement No.3; which states that if a governmental entity invests in a Pool managed by another government, no disclosure of the individual deposits and investments of the Pool nor disclosure of the credit risk category is required by the participating public entity. These disclosures are provided in the audited financial statements of the County. Investment in the County portfolio (LGIP) should be treated as an investment with a market value equal to the value of the entity's investment. In the case of the LGIP, the value would be the dollar value of the individual participant account value as of the reporting date.

AUDIT AND COMPLIANCE

The County's external auditor examines the financial statements and the portfolio as of the close of each fiscal year. The external auditor also assesses the accounting principles used and the management of the portfolio and evaluates the overall financial statement presentation. The audited financial statements and the Independent Auditor's Report are available for participant review. The portfolio also presents monthly performance data and portfolio market valuation to the Finance Committee of the Board of Commissioners for their review.
CITY OF PONTIAC
OFFICE OF THE EMERGENCY MANAGER
LOUIS H. SCHIMMEL
47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: August 12, 2013
Amended Date: April 23, 2014

ORDER NO. S-320

RE: Investment Policy

TO: Sherikia Hawkins, City Clerk
    John Naglick, Finance Director

The Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) in Section 10 empowers an Emergency Manager to issue orders to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom they are issued.

Section 12(1) of the Act provides that “[a]n emergency manager may take 1 or more of the following additional actions with respect to a local government that is in receivership, notwithstanding any charter provision to the contrary: (ee) [i]take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersed the power of any of the foregoing officers or entities.”

Whereas, Public Act 20 of 1943 requires the governing body to adopt an investment policy.

It is hereby ordered:

1. The attached “City of Pontiac Investment Policy” is adopted.
2. All other investment policies adopted by the City of Pontiac are hereby repealed.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).
This order is effective as indicated and is necessary to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.

Louis H. Schimmel  
City of Pontiac  
Emergency Manager

cc: State of Michigan Department of Treasury  
Mayor Leon B. Jukowski  
Pontiac City Council
City of Pontiac Investment Policy

I. Governing Authority

Legality
The investment program shall be operated in conformance with federal, state, and other legal requirements, including the Investment of Surplus Funds of Political Subdivisions, being Public Act 20 of 1943, as amended.

II. Scope

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds, which are governed under the policies of the respective retirement systems. Proceeds from certain bond issues, as well as separate foundation or endowment assets, will be covered by a separate policy at such time that the City should acquire such funds.

1. Pooling of Funds
   Except for cash in certain restricted and special funds, the City of Pontiac will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety
   Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
   a. Credit Risk
      The City of Pontiac will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
      • Limiting investments to the types of securities listed in Section VII of this Investment Policy
      • Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Pontiac will do business in accordance with Section V
      • Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
   b. Interest Rate Risk
      The City of Pontiac will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
      • Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to
• Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

c. **General Risk**
Risk shall also be minimized by closely monitoring pertinent financial information and rating agency reports that would disclose a weakening financial condition at any firm or institution associated with City investments. Written notice of any adverse changes in financial condition of these institutions shall be immediately forwarded to the City Council by the investment officer for further review and appropriate action.

2. **Liquidity**
The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining the maximum market rate of return throughout budgetary and economic cycles, taking into account the City’s investment risk constraints and cash flow characteristics of the portfolio.

3. **Yield**
The City of Pontiac’s cash management portfolio shall be designed with the objective of regularly meeting or exceeding a performance benchmark, which could be the average return on three-month U.S. Treasury bills, the state investment pool, a money market mutual fund, or the average rate on Fed funds, whichever is higher. These indices are considered benchmarks for lower risk investment transactions and therefore comprise a minimum standard for the portfolio’s rate of return. The investment program shall seek to augment returns above this threshold; consistent with risk limitations identified herein and prudent investment principles. (See Section IX on performance standards and selecting a benchmark.)

**IV. Standards of Care**

1. **Prudence**
The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

   The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. **Ethics and Conflicts of Interest**
Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance.
3. Delegation of Authority

Authority to manage the investment program is granted to the City Treasurer, hereinafter referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. The investment officer shall follow the GFOA's Investment Procedures Manual, 2003, to the extent that it does not conflict with this policy or state law. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

Authorized Financial Institutions, Depositories, and Broker/Dealers

A list will be maintained of financial institutions and depositories authorized by the City Council on an annual basis to provide depository and investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

• Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
• Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
• Proof of state registration
• Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
• Certification of having read and understood and agreeing to comply with the City of Pontiac's investment policy.
• Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer. The investment officer shall refer to the Appendix for the GFOA Recommended Practice on “Governmental Relationships with Securities Dealers.”

No public deposit shall be made except in a qualified public depository as established by State law. An annual analysis of the financial condition, registration, professional institution/bank rating, and Community Reinvestment Act rating of qualified bidders will be conducted by the investment officer. Information indicating a material reduction in ratings, standards, or a material loss or prospective loss of capital on existing investments must be shared with the Council Finance Committee in writing.
Per Section 129.96 of Public Act 40 of 1943, before executing an investment transaction, approved financial intermediaries, brokers/dealers, and investment advisors shall be provided with a copy of the City’s investment policy and shall in writing acknowledge receipt, review, and understanding of the investment policy and agree to comply with the terms of the investment policy regarding buying or selling of securities.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet criteria outlined in the Suitable and Authorized Investments section of this policy.

VI. Safekeeping and Custody

1. Delivery vs. Payment
   All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

2. Safekeeping
   Securities will be held by a [centralized] independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the City of Pontiac’s name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls
   The investment officer shall establish a system of internal controls, which shall be documented in writing. The internal controls and their application shall be reviewed by the investment committee, where present, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Pontiac.

VII. Suitable and Authorized Investments

1. Investment Types
   Consistent with the Investment of Surplus Funds of Political Subdivisions, the following investments will be permitted by this policy and are those defined by state and local law where applicable:
   
   (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States with a final maturity not exceeding five years from the date of trade settlement.

   (b) Certificates of deposit (with a maturity no exceeding one year), savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with MCL 129.16, that are eligible to be a depository of funds for the State of Michigan, and certificates of deposit that are purchased in accordance with MCL 129.91 guidelines. Not more than 25% of the City’s total portfolio may be invested in certificates of deposits at any one time.

   (c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase. Commercial paper held in the portfolio which
subsequently received a reduced rating shall be closely monitored by the investment officer and sold immediately if the principal invested may otherwise be jeopardized. Any such downgrade shall be immediately reported to the Council Finance Committee. Not more than 25% of the City’s total portfolio may be invested in commercial paper at any one time.

(d) Bankers’ acceptances of United States banks with maturities not exceeding 180 days from the date of purchase, rated at least A-1 by Standard & Poor’s, P-1 by Moody’s, or F1 by Fitch at the time of purchase, issued by a state or nationally chartered bank which has combined capital and surplus of at least $150 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated, at the time of purchase A+ by Standard & Poor’s, A1 by Moody’s, or A+ by Fitch. Not more than 25% of the City’s total portfolio may be invested in eligible banker’s acceptances at any one time.

(e) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by at least one standard rating service. Not more than 10% of the portfolio may be invested in municipal securities with no more than 5% held in any one issuer. Maturities in these investments shall not exceed three years for trade settlement.

(f) Mutual funds registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a local government in Michigan and which are “no-load” (i.e., no commission or fee shall be charged on purchases or sales or shares); have a constant net asset value per share of $1.00; and have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940. Not more than 25% of the City’s total portfolio may be invested in these pools at any one time.

(g) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 that are “no-load”; have a constant net asset value per share of $1.00; limit assets of the fund to securities authorized in MCL 129.91 as legal investments for municipalities; have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and are rated either AAAm by Standard and Poor’s, Aaa by Moody’s, or AA/A1+ by Fitch. Not more than 25% of the City’s total portfolio may be invested in these pools at any one time.

(h) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118 that are “no-load”; have a constant net asset value per share of $1.00; limit assets of the fund to securities authorized in MCL 129.91 as legal investments for municipalities; have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and are rated either AAAm by Standard and Poor’s, Aaa by Moody’s, or AA/A1+ by Fitch. Not more than 25% of the City’s total portfolio may be invested in these pools at any one time.

(i) The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150. Not more than 25% of the City’s total portfolio may be invested in these pools at any one time.

2. Collateralization
Where allowed by state law and in accordance with the GFOA Recommended Practices on the
Collateralization of Public Deposits, full collateralization will is strongly recommended on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit. (See GFOA Recommended Practices in Appendix.)

3. Repurchase Agreements
Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. (See GFOA Recommended Practices in Appendix.)

VIII. Investment Parameters

1. Diversification
It is the policy of the City of Pontiac to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Pontiac funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds under the control of the City.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

For cash management funds:
- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio’s annual investment income will exceed a loss on a single issuer’s securities.
- Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- The investment committee/investment officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills or collateralized certificates of deposit. The committee shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

The following diversification limitations shall be imposed on the portfolio:
- Maturity: No more than 25 percent of the portfolio may be invested beyond 12 months, and the weighted average maturity of the portfolio shall never exceed one year.
- Default risk: No more than 25 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.
- Liquidity risk: At least 10 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day’s notice.
2. **Maximum Maturities**

To the extent possible, the City of Pontiac shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Pontiac will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The City of Pontiac shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body. (See the GFOA Recommended Practice on "Maturities of Investments in a Portfolio" in Appendix.)

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

3. **Competitive Bids**

The investment officer shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market.

**IX. Reporting**

1. **Methods**

   The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the quarter. This management summary will be prepared in a manner which will allow the City Council Finance Committee to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the mayor, the city council, and any pool participants. Each quarterly report shall indicate any areas of policy concern and suggested or planned revision of investment strategies. Copies shall be transmitted to the independent auditor. The report will include the following:

   - Listing of individual securities held at the end of the reporting period.
   - Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
   - Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
   - Listing of investment by maturity date.
   - Percentage of the total portfolio which each type of investment represents.

2. **Performance Standards**

   The City of Pontiac's cash management portfolio shall be designed with the objective of regularly meeting or exceeding a selected performance benchmark, which could be the average return on
three-month U.S. Treasury bills, the state investment pool, a money market mutual fund, or the average rate of Fed funds. These indices are considered benchmarks for lower risk investment transactions and therefore comprise a minimum standard for the portfolio’s rate of return.

3. Marking to Market
The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on “Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools.” (See GFOA Recommended Practices in Appendix.) In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

X. Policy Considerations

1. Exemption
Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendments
This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and the City Council. The City’s independent auditor shall be provided a draft of any changes to the policy before being adopted by the City Council.

XI. Approval of Investment Policy
The investment policy shall be formally approved and adopted by the Pontiac City Council and reviewed annually.

XII. List of Attachments
The following documents, as applicable, are attached to this policy:
- Listing of authorized personnel,
- Relevant investment statutes and ordinances,
- Listing of authorized broker/dealers and financial institutions,
- Internal Controls
- Glossary

XIII. Other Documentation
- Master Repurchase Agreement, other repurchase agreements and tri-party agreements,
- Broker/Dealer Questionnaire,
- Credit studies for securities purchased and financial institutions used,
- Safekeeping agreements,
- Wire transfer agreements,
- Sample investment reports,
- Methodology for calculating rate of return,
- GFOA Recommended Policies.

City of Pontiac Investment Policy Page 8 of 8
List of Authorized Financial Institutions

- Affinity Group Credit Union
- Bank of America
- Chase
- Comerica
- Fifth Third Bank
- Flagstar Bank
- Huntington Bank
- Level One
- PNC
- Private Bank
- Seaway Community Bank
- Talmer Bank & Trust
- TCF Bank
- US Bank
- Wolverine Bank

and such others that may be added to this list by resolution of the City Council.
Memorandum

To: Pontiac City Council

From: Joseph M. Sobota, M.P.A., City Administrator

Date: October 20, 2014

Re: Offer to purchase Lot 1AP

Since August 1 of 1987, the City of Pontiac has leased lot 1AP to McLaren hospital (see attached lease agreement). The terms of the lease were established so that the payments would cover the City's costs of resurfacing the parking lot in 1988. The lease specifies that the City is also responsible for snow removal, maintenance, and utility costs. The City covers the utility costs, but has not performed any maintenance or snow removal on the site in the last two years. The lights are part of the City's streetlight grid and would need to be removed from the grid if the property was sold. The City maintains insurance on the property.

I have included some descriptions of the parcel (see attached). As you can see by the representations, the entire parking lot is only partially owned by the City of Pontiac.

In September, a real estate agent on behalf of McLaren approached the City and offered $100,000 to purchase Lot 1AP. Since there was a legitimate offer made to the City for the property, I commissioned an updated appraisal. The updated appraisal resulted in a reevaluation of the value of the property from $230,000 to $125,000. The appraiser used the sales comparison approach to value the property instead of the income approach because the tenant had previously indicated that they would discontinue the lease if unable to purchase the property. I communicated the new appraised value of the property to the agent and the response was the attached offer from McLaren Oakland dated October 2, 2014 to purchase the property commonly known as Lot 1AP in the amount of $125,000 (see attached).

Section I(F)q of Order S-334 allows the City to sell Lot 1AP for $230,000, the price established by the Emergency Manager, without public notice and hearing and approval by the Board. Since the offer made is below the amount authorized by Order S-334, if the City Council wishes to consider the offer, the City Council must first publish notice and hold a hearing on the offer. If the City Council chooses to accept the offer, then that resolution must be approved by the Transition Advisory Board.

From a financial perspective, the City does not have a compelling interest to sell the property at this time in a direct sale to the hospital. The City has included rental income in the amount of $85,875 in the General Fund budget for fiscal year 2015-16. The City has also budgeted rental income in the amount of $85,875 in the Parking Fund for the current fiscal year. Although the proceeds of the sale could be used to offset the loss of revenue for the next 18 months, the City would have a recurring $85,000 deficit in the General Fund for future years.

From a practical standpoint, McLaren has represented to the City that the reason the hospital is seeking to move beds from Pontiac to Clarkston is that the beds being moved are not in use.
Assuming this statement is true, if McLaren was to relocate beds, there should not be a drop in demand for parking. Furthermore, there is a positive vibe on future redevelopment of 28 North Saginaw which will result in a demand for parking in downtown. Even if the lease was broken by McLaren, I am confident that the City will be able to find other interested parties in ownership of the lot, which could result in a sale on a value closer to an income approach value, which would be higher than a comparison approach. Finally, the highest and best use of the property is a future commercial development with an interim use as a parking lot. A sale to McLaren would reduce the possibility that the property could eventually be developed and placed on the tax rolls.

Although I generally support the disposal of public property, in this instance, based on the current financial analysis and the potential for future development, I am recommending against the approval of the sale. My recommendation however does not pertain to the procedural requirement to hold a public hearing on the matter. I strongly encourage City Council to hold a public hearing on the offer, and after the public hearing, to make a decision, as additional information may be presented during the public hearing.

If after the public hearing City Council wishes to approve the sale, I am recommending that the following resolution be adopted:

> Whereas, the City of Pontiac has received an offer in the amount of $125,000 from McLaren to purchase the parking lot commonly known as lot 1AP; and,

> Whereas, the City of Pontiac has obtained an appraisal, based on the sales comparison approach, which values the property at $125,000; and,

> Whereas, the Pontiac City Council had a public hearing on the offer at a meeting held on [insert date];

Now, therefore, be it resolved, after consideration of public comment and the report of the City’s administration, the Pontiac City Council hereby approves the sale of Lot 1AP in the amount of $125,000 with the condition that the purchaser assume all costs related to placing all lights in the parking lot on a separate meter and authorizes the City Administrator to sign the Letter of Intent to Purchase.
THIS LEASE made this ___ day of __________, 1987, by and between the CITY OF PONTIAC, a Michigan municipal corporation, the Lessor, hereinafter designated as the "City", and PONTIAC OSTEOPATHIC HOSPITAL, a Michigan non-profit corporation, the Lessee, hereinafter designated as the "Hospital".

WHEREAS, the City is the owner of premises situated in the City of Pontiac, State of Michigan, known as Lot One AP, located at East Wide Track Drive and Pike Street, hereinafter described on Exhibit "A", a copy of which is attached hereto and made a part hereof, and is hereinafter referred to as "Premises".

WHEREAS, the Hospital is desirous of leasing the Premises from the City to provide automobile parking space for its employees; and

WHEREAS, the City deems it to be in the best interest of the redevelopment of the City of Pontiac that it enter into this Lease for the consideration on the terms set forth herein;

NOW, THEREFORE, the City and Hospital agree as follows:

1. DESCRIPTION OF PREMISES: The City, in consideration of the rents to be paid and the covenants and agreements to be performed by the Hospital, does hereby lease to the Hospital the Premises known as Lot One AP, located at East Wide Track Drive and Pike Street, Pontiac, Michigan, described on Exhibit "A" located in the City of Pontiac, State of Michigan.

2. TERM: For the term of five (5) years from and after the 1st day of August, 1987, the City will lease the Premises to the Hospital.
3. OBLIGATIONS OF THE CITY: The City shall reconstruct the Premises by paving, striping, and landscaping. Reconstruction of the Premises shall result in no less than 240 parking spaces. The Hospital may review the reconstruction plans prepared by the City prior to the City's solicitation of bids.

The City shall be solely responsible for all maintenance of the Premises, including snow removal, repairs and utility costs.

4. OBLIGATIONS OF HOSPITAL: The Hospital shall make advance payment to the City of the rent required in Section 5 hereof in the amount of one-half of the City's reconstruction costs, not to exceed One Hundred Thousand ($100,000) Dollars within ten (10) business days of receipt of written request for the advance rent from the City.

The Hospital agrees to repair and paint the exterior of its blue power plant within One Hundred Eighty (180) days of the commencement of the reconstruction of the Premises by the City.

The Hospital agrees that security for the Premises and its users shall be its sole responsibility during the Lease term. The Hospital shall return the Premises to the City in good repair as when taken, reasonable use and wear thereof and damage by the elements excepted. All obligations of Hospital are at its sole cost and expense.

5. RENT: In lieu of money rental, the City agrees to credit the total cost the Hospital pays as advance rent against the monthly rental rate of Fifteen ($15.00) Dollars per parking space until the total amount of the advance rent payment has been reached based upon 240 parking spaces.

Thereafter, the Hospital shall pay the City for 240 parking spaces at the going public rate for monthly surface parking in effect the month amortization is completed and such rate shall be paid by the Hospital until
the City notifies the Hospital of a rate adjustment. All rent payments are due in advance on the first of each month. For all rent payments not received by the fifth (5th) of each month, a penalty of one percent (1%) of the rent due shall be due and payable. All rate adjustments shall be at the going public rate for monthly surface parking in effect at the time of the rate adjustment. The City shall provide thirty (30) days prior, written notice to the Hospital of all rate adjustments. The Hospital may elect to terminate this Lease after receipt of notice of a rate adjustment from the City by giving the City sixty (60) days prior, written notice of its election to terminate the Lease.

6. OPTION TO RENEW: Upon the expiration of this Lease, Hospital shall have an option to renew the Lease under the same terms and conditions for a term of two (2) years. The Hospital shall give the City written notice of its intent to renew this Lease at least sixty (60) days prior to the expiration of the initial Lease term.

7. RIGHT OF FIRST REFUSAL: If City receives a bona fide offer for development of the Premises prior to the expiration of the Lease or any extension of the Lease, the City shall give Hospital the right of first refusal to purchase the Premises under the following conditions:

A. City will give Hospital the right to review the bona fide offer in its entirety.
B. Hospital must submit to City an offer for development equal or greater than the bona fide offer.
C. The Hospital has ninety (90) days to exercise its right of first refusal from the date of receipt of the bona fide offer given it pursuant to subsection 7(A) hereof.
D. If Hospital does not exercise its right of first refusal, Hospital will have ninety (90) days in which to vacate
the Premises which time shall begin to run from the date by which Hospital should have exercised its right of first refusal.

E. The City will make the same terms of the bona fide offer available to the Hospital's for profit entity. The Hospital's for profit entity will be entitled to any additional benefits the City has offered to the developer making the bona fide offer.

8. REIMBURSEMENT: If City receives an offer for development of the Premises before the expiration of this Lease, and Hospital does not exercise its right of first refusal, City shall reimburse Hospital for the remaining amount of the advance rent payment made by Hospital which has not been credited previously as rent, provided the City accepts the offer for development by resolution of the City Council. Reimbursement to Hospital shall be in equal installments over a period of twelve (12) months.

9. MILL STREET PARKING STRUCTURE: If a bona fide offer for development is made for the Premises and accepted by the City pursuant to Section 8 hereof, and Hospital does not exercise its right of first refusal, City shall lease or sell the entire Mill Street Parking Structure to Hospital. If, at any time during the term of this Lease the City receives an offer for lease or sale of the Mill Street Parking Structure, Hospital shall have the right of first refusal to match the terms of any bona fide offer for lease or sale. As used in this Section 9, Hospital shall be deemed to mean the Hospital's for profit entity.

10. PAYMENTS: All payments of rent or other sums to be made to the City shall be made at such place as the City shall designate in writing from time to time.
11. **BANKRUPTCY AND INSOLVENCY:** The Hospital agrees that if the estate created hereby shall be taken in execution, or by other process of law, or if the Hospital shall be declared bankrupt or insolvent, according to law, or any receiver be appointed for the business and property of the Hospital, or any assignment shall be made of the Hospital's property for the benefit of creditors, then and in such event this Lease may be cancelled at the option of the City.

12. **USE:** It is understood and agreed between the parties that the Premises shall be used and occupied solely by employees of Hospital for parking lot purposes and for no other purpose or purposes during the Lease term without the prior, written consent of both City and Hospital. Provided, however, the City may lease parking spaces on the Premises, which are unused by the Hospital's employees, to members of the public. Such leasing by the City shall not affect the Hospital's obligation to pay the full rent on 240 parking spaces. The Hospital shall provide identification to its employees authorized to use the Premises to enable the City to ascertain all parking spaces not being used by Hospital employees. Neither City nor Hospital shall use the Premises for any purpose in violation of any law, ordinance, or regulation and that on any breach of this covenant the non-breaching party may, at its option, terminate this Lease forthwith.

13. **PROHIBITIONS AGAINST ASSIGNMENT AND SUBLETTING:** Hospital agrees and covenants that it will not assign this Lease, nor sublet the Premises or any part thereof, without the prior, written consent of the City.

14. **TERMINATION:** Either party may terminate this Lease upon a material breach of this Lease by the other party. If there is a material breach of this Lease, the non-breaching party shall notify the breaching party, in writing, of the matters in breach and give a thirty (30) day cure
period. If the breach is not cured within the thirty (30) days, the non-breaching party shall notify the breaching party, in writing, that this Lease is terminated.

If this Lease is terminated pursuant to a breach by the City, the City shall only be obligated to reimburse the Hospital for the amount of the advance rent payment which has not been credited previously as rent as of the date of termination. Reimbursement shall be in equal monthly installments over a period of twelve (12) months.

If this Lease is terminated pursuant to a breach by the Hospital, the Hospital shall forfeit all rights to the Premises and vacate the Premises within ninety (90) days of the date of termination of this Lease. The City shall be entitled to possession of the Premises and all due and payable rent as of the date the Premises are vacated as well as all other damages provided by law.

15. EMINENT DOMAIN: In the event the whole or any part of the Premises shall be taken by the County, State or public authority other than the City or any agency thereof for any public use, the parties agree this Lease shall determine the rights of the parties.

From the date when possession of the whole or any part of the Premises so taken shall be required for such public use rents, properly apportioned, shall be paid up to that date by the Hospital and the Hospital shall not claim or be entitled to any of the award to be made for damages or any compensation paid to the City and the City shall not be entitled to any portion of the award made to the Hospital for loss of business. The City shall reimburse the Hospital for any advance rent payment which has not been credited previously as rent for the portion of the Premises taken for public use. The Hospital may, at its option, terminate this Lease.
If less than the whole of the Premises is so taken. If the Hospital elects to terminate this Lease, this Section 15 shall determine the rights of the parties.

A taking of a whole or any part of the Premises for public use as provided herein shall not be deemed a material breach of this Lease by the City.

16. CONDITION OF PREMISES: Both Hospital and City acknowledge they have examined the leased Premises prior to the making of this Lease and know the conditions thereof, and that no representations as to the condition or state of repairs or promises to repair have been made by either the City or the Hospital or their agents which are not contained herein, and both parties hereby accept the leased Premises in their present condition as of the date of the execution of this Lease subject to the City's obligation to reconstruct the Premises.

17. TAXES AND ASSESSMENTS: In the event Hospital becomes a profit rather than a non-profit entity during the term or any extension of this Lease, Hospital covenants and agrees that it shall hold City harmless from any taxes, charges or assessments levied or assessed on the Premises or any improvements thereon.

18. HOLDING OVER: It is hereby agreed that in the event of the Hospital holding over after the termination of this Lease or any extensions thereof, the tenancy thereafter shall be from month to month in the absence of a written agreement to the contrary.

19. ACCESS TO PREMISES: Both parties shall have the right to enter upon the leased Premises at all reasonable hours for the purpose of inspecting the same.
20. RE-ENTRY: In case any rent shall be due and unpaid or if default is made by Hospital in any of the terms and conditions of this Lease, then it shall be lawful for the City, its agents, heirs, representatives and assigns to re-enter and repossess the Premises and dispossess the Hospital and each and every occupant of the Premises.

21. AMENDMENTS: No amendment to this Lease shall be effective and binding upon the parties unless it expressly makes reference to this Lease, is in writing, is signed and acknowledged by the Department Head, the Mayor and the City Clerk or their designees, is approved by the appropriate City departments, the City Council, and is signed and acknowledged by the duly authorized representative(s) of the Hospital.

22. INDEMNIFICATION OF CITY: The Hospital agrees to indemnify and hold the City harmless from any and all liabilities, obligations, damages, penalties, claims, costs, charges, fees and expenses for attorneys, expert witnesses and other consultants which may be imposed upon, incurred by or asserted against the City in regard to the Premises by reason of any negligent or tortious act, error or omission of the Hospital or any of its Associates for whose acts it may be liable.

The Hospital also agrees to indemnify and hold the City harmless from any and all damage to the property of an employee of the City which arises out of the Hospital's negligent or tortious act, error or omission with regard to the Premises or the Hospital's exercise of its rights and obligations under this Lease.

In the event any action or proceeding shall be brought against the City by reason of any matter covered herein, the Hospital, upon notice from the City, shall at its sole cost and expense, resist and defend the same with counsel of the Hospital's choice and which is acceptable to the City.
The indemnity and hold harmless obligation hereof shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for the Hospital under Workers' Compensation Acts or other employee benefits acts or plans. The Hospital also agrees to indemnify and hold harmless the City from the payment of any deductible on any insurance policy required to be maintained by the Hospital pursuant to this Lease.

23. INDEMNIFICATION OF HOSPITAL: The City agrees to indemnify and hold the Hospital harmless from any and all liabilities, obligations, damages, penalties, claims, costs, charges, fees and expenses for attorneys, expert witnesses and other consultants which may be imposed upon, incurred by or asserted against the Hospital in regard to the Premises by reason of any negligent or tortious act, error or omission of the City or any of its Associates for whose acts it may be liable.

The City also agrees to indemnify and hold the Hospital harmless from any and all damage to the property of an employee of the Hospital which arises out of the City's negligent or tortious act, error or omission with regard to the Premises or the City's exercise of its rights and obligations under this Lease.

In the event any action or proceeding shall be brought against the Hospital by reason of any matter covered herein, the City, upon notice from the Hospital, shall at its sole cost and expense, resist and defend the same with counsel of the City's choice and which is acceptable to the Hospital.

The indemnity and hold harmless obligation hereof shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for the City under the Workers'
Compensation Acts or other employee benefits acts or plans. The City also agrees to indemnify and hold harmless the Hospital from the payment of any deductible on any insurance policy required to be maintained by the City pursuant to this Lease.

24. INSURANCE: The Hospital shall procure and maintain, at its sole cost and expense, during the Lease term or any extension(s) thereof, insurance to protect against the following claims:

a. Claims under Workers' Compensation, disability benefit, and other similar employee benefit acts;

b. Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees;

c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees;

d. Claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of any such person by Hospital, or (2) by any other person;

e. Claims for damages because of injury to, or destruction of, tangible property, including loss of use resulting therefrom;

f. Premises-Operations;

g. Independent Contractors Protective;

h. Blanket Contractual;

i. Owned, not owned and hired motor vehicles;

j. Personal injury liability;

k. Products and Completed Operations Coverage; and

l. Broad Form Property Damage Coverage.
The Hospital shall require all subcontractors, if not protected under its insurance policies, to secure and maintain the stipulated types of insurance on their employees and operations with limits appropriate to each subcontractor. Liability insurance shall include all major divisions of coverage and shall be on a comprehensive basis, including Subparagraphs (f) through (j) above.

The insurance requirements hereunder shall be written for not less than the following limits:

a. Workers' Compensation to comply with the statutes of the State of Michigan;

b. Comprehensive General Liability providing $1,000,000 Combined Single Limits per occurrence;

c. Comprehensive Automobile Liability providing for a single limit of $500,000 per occurrence and aggregate.

All liability policies shall name the City of Pontiac, its officers, agents, employees, elected officials, representatives and appointees as additional named insureds and shall state that the Hospital's insurance is primary with respect to the additional named insureds and not excess over any insurance carried by the additional named insureds.

If the Public Liability policy does not contain the standard ISO (Insurance Services Office) wording of "definition of insured" which reads essentially as follows: "The insurance afforded applies separately to each insured ... except with respect to limits ..." then in the alternative, the public liability insurance policy shall contain the following cross liability endorsement:

It is agreed that the inclusion of more than one (1) insured under this policy shall not affect the rights of any insured as respects any claim, suit or judgment made or brought
by or for any other insured or by or for any employee of any other insured. This policy shall protect each insured in the same manner as though a separate policy had been issued to each, except nothing herein shall operate to increase the insurer's liability beyond the amount or amounts for which the insurer would have been liable had only one (1) insured been named."

All insurance shall be issued by a company or companies acceptable to the City, licensed to do business in the State of Michigan and which are well rated by national rating organizations.

Certificates of insurance, along with copies of original policies, acceptable to the City, shall be filed with the City (Risk Management Division, City of Pontiac) ten (10) days prior to commencement of the Lease. Such certificates shall contain a provision that coverages afforded under the policies will not be cancelled or altered until at least thirty (30) days prior written notice has been given to the City. The City shall be furnished one (1) copy of the Certificate of Insurance herein required for each copy of the Agreement specifically setting forth evidence of all coverage required hereunder and the telephone number and address of the insurance agent.

The Hospital shall be responsible for payment of all deductibles contained in any insurance required hereunder. The provisions requiring the Hospital to carry the required insurance shall not be construed in any manner as waiving or restricting the liability of the Hospital under this Lease.

25. NOTICES: All notices, consents, approvals, requests and other communications (herein collectively called, "Notices") required or permitted under this Lease shall be given in writing, and mailed by first-class mail and addressed as follows:
If to the Department (on behalf of the City)

DEPARTMENT OF PUBLIC UTILITIES
522 S. Opdyke
Pontiac, MI 48057

Attention:

If to the Hospital:

PONTIAC OSTEOPATHIC HOSPITAL
50 N. Perry Street
Pontiac, MI 48058

Attention:

All notices shall be deemed given on the day of mailing. Either party to this Lease may change its address for the receipt of Notices at any time by giving notice thereof to the other as herein provided. Any Notice given by a party hereunder must be signed by an authorized representative of each party.

Notwithstanding the requirement above as to the use of first-class mail, change of address notices, termination notices, or other notices of a legal nature, shall be sent by each party to this Lease by certified first-class mail, postage prepaid, return receipt requested.

26. TIME FOR RECONSTRUCTION: The City shall commence the reconstruction of the Premises no later than May 1, 1988, and shall complete them no later than July 1, 1988. Provided, however, the City shall make its best effort to accomplish the reconstruction by December 1, 1987. The City shall be deemed to have complied with this requirement if it awards a contract for the reconstruction by October 1, 1987. If the City fails to commence or complete the reconstruction by the specified dates or to award a contract for reconstruction of the Premises by October 1, 1987, the Hospital may declare this Lease null and void and of no further effect and the Hospital's sole remedy shall be reimbursement
of the advance rent payment made to the City. The City shall reimburse the Hospital in full, within ten (10) business days of receipt of the Hospital's written request for reimbursement.

27. TIME OF ESSENCE: Time is of the essence of this Lease.

28. WAIVERS: One or more waivers of any covenant or condition by the City shall not be construed as a waiver of a further breach of the same covenant or condition.

29. COVENANTS, CONDITIONS BINDING ON SUCCESSORS: The covenants, conditions and agreements made and entered into by the parties hereto are declared binding on their respective heirs, successors, representatives and assigns.

30. FORCE MAJEURE: Failure of the City to meet its covenants under Section 26 within the time periods specified therein shall be excused to the extent that such are caused by conditions beyond the City's control, such conditions to include, but not be limited to, acts of God, general strikes, general unavailability of materials, delay in completion of any utility relocation and/or for elimination of unusual soil conditions necessary to commence and/or complete reconstruction, and conditions imposed by city, county, federal or state agencies which cannot be satisfied on a timely basis and which have not heretofore been reasonably known to the City.

The City agrees to provide written notice to the Hospital of any conditions beyond the City's control which may result in the City's failure to meet the time limits of Section 25 and it shall be a condition for City reliance upon said condition that such notice shall have been provided within twenty (20) days of the onset of said condition. In the event multiple such conditions exist at any given time, the excusable delay attributable to such multiple conditions together shall be no greater than the elapsed
days between the onset of the first of said conditions and the resolution or waiver of the last of said conditions to be satisfied or waived.

31. AWARD OF LEASE: The award of this Lease to the Hospital will be authorized by resolution of the City Council. The award of this Lease will not become effective until this Lease has been approved by the required City departments, and signed by the Mayor, the Department Head and the City Clerk or their designees.

32. MISCELLANEOUS: A. If any provision of this Lease or the application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

B. This instrument, including all Exhibits attached hereto, which are made a part of this Lease, contains the entire agreement between the parties and all prior negotiations and agreements are merged herein. Neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Hospital by implication or otherwise unless expressly set forth herein. The Hospital hereby waives any defense it may have to the validity of the execution of this Lease.

C. Unless the context otherwise expressly requires, the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other Subdivision.
D. The headings in this Lease are for convenience only and shall not be used to construe or interpret the scope or intent of this Lease or in any way affect the same.

E. The rights and remedies set forth herein are not exclusive and are in addition to any of the rights or remedies provided by law or equity. This Lease and all actions arising hereunder shall be governed by, subject to and construed according to the law of the State of Michigan. The parties agree, consent and submit to the personal jurisdiction of any competent court in Oakland County, Michigan, for any action arising out of this Lease. The parties agree that service of process at the address and in the manner specified in Section 25 will be sufficient to put the parties on notice and hereby waives any and all claims relative to such notice. The Hospital also agrees that it will not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Lease, in any courts other than those in the County of Oakland, State of Michigan unless original jurisdiction can be had in the United States District Court, Southern Division, the Michigan Court of Appeals or the Michigan Supreme Court.

F. If any Affiliate of the Hospital shall take any action which, if done by a party, would constitute a breach of this Lease, the same shall be deemed a breach by the Hospital with right legal effect.

G. For purpose of hold harmless and indemnity provisions contained in this Lease, the term "City" shall be deemed to include the City of Pontiac, its elected officials, officers, agents, representatives, employees and appointees, and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or hereafter created, and their officers, agents, representatives, public officials and employees.
H. For the purpose of hold harmless and indemnity provisions contained in this Lease, the term "Hospital" shall be deemed to include Pontiac Osteopathic Hospital, its officers, agent, representatives, employees and appointees, and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or hereafter created, and their officers, agents, representatives and employees.

I. This Lease may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Promptly after the execution thereof, the City shall submit to the Hospital a confirmed copy of this Lease.

J. As used herein, the singular shall include the plural, the plural the singular, and the uses of any gender shall be applicable to all.
IN WITNESS WHEREOF, the City and the Hospital, by and through their authorized officers and representatives, have executed this Lease as of the date first above written.

WITNESSES:
1) Storm Tracy
2) Joie Albrecht

PONTIAC OSTEOPATHIC HOSPITAL:
By: [Signature]
Its: Executive Director

WITNESSES:
1) [Signature]
2) [Signature]

CITY OF PONTIAC:
By: [Signature]
Its: Public Utilities Director

WITNESSES:
1) [Signature]
2) [Signature]

CITY OF PONTIAC:
By: [Signature]
Its: Deputy Mayor

WITNESSES:
1) [Signature]
2) [Signature]

CITY OF PONTIAC:
By: [Signature]
Its: Mayor

WITNESSES:
1) [Signature]
2) [Signature]

CITY OF PONTIAC:
By: [Signature]
Its: City Clerk

FINANCE DEPARTMENT
No. 1936 Date July 14, 1987

I hereby certify that an appropriation of City funds is required by this lease to cover the expenses to be incurred under this contract.

[Signature]
Director of Finance

THIS LEASE SHALL NOT HAVE ANY FORCE OR EFFECT UNTIL SIGNED BY THE MAYOR, THE DEPARTMENT HEAD AND THE CITY CLERK OF THEIR DESIGNEES.
CITY ACKNOWLEDGMENT

STATE OF MICHIGAN
COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me this day of ____________, 19__, by ______________________________, the ___________________________, a municipal corporation, on behalf of the municipal corporation.

Notary Public, Oakland County
My Commission Expires:

CORPORATION ACKNOWLEDGMENT

STATE OF MICHIGAN
COUNTY OF OAKLAND

The foregoing instrument was acknowledged before me this day of July ____________, 19__, by ______________________________, the ___________________________, a ___________________________ corporation on behalf of the Corporation.

Notary Public, County of Oakland
My Commission Expires:
LEGAL DESCRIPTION

Parking Lot (1A) located at the northwest corner of Wide Track Drive, West and E. Pike Street.

All that land located in Clinton Addition described as: Lots 1 to 6 both inclusive and the south 36 feet of Lot 7 except that part lying easterly of the westerly line of Wide Track Drive, East as now laid out and established. Also all of Lots 3 and 4, part of Lot 1 of Assessor’s Plat No. 45, described as beginning at the southeast corner of Lot 1; thence N 6°55'40" W 202.85 feet; thence N 7°31'50" E 65.5 feet; thence N 2°53'20" E to a point where a line 36 feet north of the south line of Lot 7 of Clinton Addition would intersect the east line of Lot 1; thence S 87°42'10" W to a point on the west line of Lot 1, located N 12°53'40" W 34 feet from angle in west line of Lot 1; thence S 12°53'40" W 34 feet to said angle point; thence S 0°33'20" W 265.3 feet; thence N 74°53'10" E 135.0 feet to the point of beginning. Also Lot 2 of Assessor’s Plat No. 45 except that portion lying west and northwest of the bed of the Clinton River, also except that part lying north of a line described as beginning at the southeast corner of Lot 5; thence east on extended south line of Lot 5, 22 feet; thence N 1°45'24" W 18.23 feet; thence N 87°43' E to the east line of said Lot 2.

All the above said land located in parts of the southeast 1/4 of Section 29 and southwest 1/4 of Section 28, T3N, R10E, City of Pontiac, Oakland County, Michigan.

S/15/80
Eng/Div
NT/m1

Contains approximately 86,000 s.f., exact square footage to be determined by survey in the field.
APPRAISAL REPORT

By:
Jere D. Neill
Accurate Appraisals & Realty
31 Oakland Avenue
2nd Floor, Suite A
Pontiac, MI 48342

Of:
Lot 1AP – Municipal Parking Lot
1.769 Acres of Land
Parcel ID# 14-29-436-024
NW Corner of Woodward & E. Pike Street
County of Oakland, City of Pontiac, Michigan

For:
City of Pontiac’s
City Administrator
Mr. Joseph M. Sobota

Effective Date of Appraisal:
September 17, 2014

Fee Simple Market Value:
One Hundred Twenty-Five Thousand Dollars
$125,000
SUMMARY OF SALIENT FACTS & CONCLUSIONS

PROPERTY APPRAISED: The subject is a parcel of land containing 1.769 acres according to Oakland County Equalization. It is commonly referred to as Lot 1AP and is located in the Downtown District of the City of Pontiac. It is improved as an asphalt paved surface parking lot in average condition with partial fencing.

PROPERTY TYPE: Improved parking lot.

INTEREST APPRAISED: Fee Simple

LAND AREA: 1.769 Acres, or 77,057 SF +/-

ZONING: C-2, Central Business

HIGHEST AND BEST USE: Future commercial development with an interim use as a parking lot.

DATE OF VALUATION: September 17, 2014 (Last Inspection)

VALUATION APPROACHES:

Sales Comparison Approach $125,000

FINAL VALUE ESTIMATE: $125,000
SITE DESCRIPTION

No survey was provided. To verify the size of the subject parcel, your appraiser contacted Brenda Firestine in Property Descriptions at Oakland County Equalization. At the time of sale it is recommended that a survey be performed to accurately establish the property lines and legal description. The following is a summary description of the physical characteristics of the subject site as determined from Oakland County Records and from our own inspection:

Size: 1.769 Acres or say +/- 77,057 square feet.
Topography: Level at grade
Soil Conditions: No soil or sub-soil tests were performed. However, there were no observable soil or sub-soil conditions relative to the subject or surrounding property which would appear to adversely affect the subject property.
Utilities: All available to site.
Ingress/Egress: Access to the site is from curb cuts on the south side of the property from E. Pike Street and on the west side from Perry Street.
Visibility and Exposure: The subject has good visibility from Woodward Avenue. The subject is at a signalized traffic light corner.
Site Improvements: Asphalt paving in average condition. Some fencing.
Functional Adequacy of the Site: The site is considered to have good functional adequacy.
Nuisances or Hazards: None noted
Zoning: C-2, Central Business
AERIAL VIEW OF SUBJECT

Lot IAP

Disclaimer: The information provided herein has been compiled from recorded deeds, plats, tax maps, surveys and other public records. It is not a legally sanctioned map or survey and should not be used to locate real property. Users should consult the referenced sources mentioned above when conflicts arise.
Letter of Intent to Purchase
City Surface Parking Lots

This Letter of Intent (LOI) summarizes the general terms pursuant to which POH Regional Medical Center, d/b/a McLaren Oakland or an entity to be formed ("Purchaser"), is willing to proceed with the submission of an offer to purchase to acquire the above described property from the City of Pontiac ("Seller"):  

1. Purchase Price: One Hundred Twenty-five Thousand and 00/100 Dollars ($125,000.00), pursuant to the terms stated herein.

   The Purchaser shall pay Seller Earnest Money in the amount of three (3%) percent of the Purchase Price. Seller and Purchaser shall execute purchase agreement provided by Purchaser, acknowledging payment of the Earnest money.

2. Property: The Property is one (1) Downtown Municipal Parking Lot further described as Lot 1AP located at the corner of Pike and Woodward containing approximately 250 parking spaces. Property is located in the City of Pontiac, Michigan.

3. Inspection / Termination: Purchaser shall have a thirty (30) day period after the full execution of a written purchase agreement (the "Agreement") to inspect and investigate the Property and any improvements thereon including, but not limited to, conducting geotechnical and environmental tests and studies (the "Inspection Period"). If not satisfied with the results of its inspection and investigations or if Purchaser otherwise determines not to proceed, Purchaser shall have the right to terminate the transaction. Upon termination, all earnest money and interest shall be returned to Purchaser.
4. Conditions Precedent: Satisfactory results of all inspection, mutual approval of deed restrictions and covenants, obtainment of all governmental approvals, securing of financing and such other conditions as may be included in the Agreement.

5. Delivery of Information: Seller shall provide Purchaser with copies of any and all information and/or materials in Seller’s possession with the respect to the Property within five (5) days of execution of the signed purchase agreement.

6. Title/Survey: Seller shall provide at Purchaser cost a current title insurance commitment from Seaver Title Company (the “Title Commitment”) with customary endorsements (and the title subsequent to Closing) in the amount of the Purchase Price and a survey to Purchaser’s specifications (the “Survey”), each within thirty (30) days of a signed purchase agreement.

7. Earnest Money: Purchaser shall deliver to the title company an earnest money deposit of three (3%) of the Purchase Price in the form of a cashier’s or certified check (which shall be held in an interest bearing escrow account) or a letter of credit. All accrued interest shall be the property of Purchaser.

In the event Purchaser terminates the Purchase Agreement during the Inspection Period all deposits will be returned along with any interest earned to Purchaser within ten (10) days of Purchaser’s notice to Seller.

All Deposits are applicable to the Purchase Price.

8. Assignment: Purchaser shall have the right to assign the Agreement at any time without Seller’s consent.

9. Closing: The consummation of the purchase and sale of the Property (the “Closing”) shall take place within thirty (30) days after the expiration of the Inspection Period.

10. Delivery: “As is” condition including all fixtures, equipment, licenses and businesses that exist on the property today.

50 Perry Street Pontiac, Michigan 48446
11. Non-binding: This letter of intent is not legally binding upon either Seller or Purchaser and either party has the right to terminate discussions or negotiations for any reason prior to signing the Agreement.

Notwithstanding the foregoing, Seller hereby agrees not to accept any formal or informal offers to purchase the Property or any party thereof, or grant any options to purchase the Property, or any part thereof, to a party other than the Purchaser, until the first to occur of: (a) mutual written revocation of this letter of intent by both Seller and Purchaser; (b) thirty (30) days after the acceptance of this letter of intent by Seller, if Seller and Purchaser are unable to enter into the agreement; (c) rejection of the Property by Purchaser during either the Inspection Period; or (d) termination of the Agreement pursuant to its terms.

Should the term and conditions of this Letter of Intent be satisfactory, please sign where indicated below and return one copy of this letter to me. Thank you for your consideration.

Sincerely,

McLaren Oakland

By: Clarence M. Sevillian
President and CEO

Agreed to and accepted by:

Purchaser: POH Regional Medical Center, d/b/a McLaren Oakland

By: __________________________
Name: ________________________
Its: __________________________

Seller: City of Pontiac

By: __________________________
Name: ________________________
Its: __________________________

50 Perry Street Pontiac, Michigan 48446