

NOTICE OF PONTIAC CITY COUNCIL MEETING
January 26, 2021
at 6:00 p.m.

THE MEETING WILL BE HELD ELECTRONICALLY

The City Council of the City of Pontiac will hold a Study Session on January 26, 2021 at 6:00 p.m. This meeting will be held electronically as allowed by the amended Open Meetings Act. The agenda for the Study Session is attached. The Pontiac City Council gives notice of the following:

1. **Procedures.** The public may view the meeting electronically through the following method.
<http://pontiac.mi.us/council/pontiactv/index.php>
2. **Public Comment.** For individuals who desire to make a public comment, please submit your name and comment in writing to publiccomments@pontiac.mi.us. Additionally, you may submit your public comment in writing directly to the Office of the City Clerk during regular business hours. All public comments must be received no later than 5:30 p.m. on January 26, 2021. Public comments are limited to three (3) minutes. The City Clerk will read your comments during the public comment section of the meeting.
3. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or clerk@pontiac.mi.us at least 24 hours in advance of the meeting.

Dated 1-22-2021, 5:00 p.m.
Garland S. Doyle, Interim City Clerk
City of Pontiac
47450 Woodward Ave. Pontiac, MI 48342 Phone: (248) 758-3200

PONTIAC CITY COUNCIL

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



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

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

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

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

STUDY SESSION

January 26, 2021

6:00 P.M.

211th Session of the 10th Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. January 19, 2021

Public Comment

Agenda Items

Ordinances

Mayor's Office

2. Proposed Ordinance to Amend the City of Pontiac General Employees' Retirement System (First Reading)
3. Proposed Ordinance to Establish the City of Pontiac Reestablished General Employees' Retirement System (First Reading)

Resolutions

Information Technology

4. Resolution to approve the update of the City of Pontiac's current ShoreTel phone system to a cloud based "Ring Central" system.

Mayor's Office

5. Resolution regarding the City Clerk's Medical Marihuana Obligations

Planning

6. Resolution to adopt the 2021-2025 Parks & Recreation Master Plan
7. Resolution to approve Zoning Map Amendment [ZMA 20-07], 729 Linda Vista, PIN 64-14-21-451-002 [former Mark Twain School site] from R-1 One Family Dwelling to R-3 Multiple Family Dwelling zoning district.

8. Resolution to approve Updated Downtown Pontiac Social District
9. Resolution to approve Updated Downtown Pontiac Social District Permit Applications

Adjournment

Upcoming Special Presentations

February 2, 2021

1. Office of the City Clerk Medical Marihuana Review Process Update
2. Michigan Department of Transportation (MDOT) Woodward Wide Track Loop Conversion
3. Pontiac Youth Recreation and Enrichment Center (PYREC)

#1

MINUTES

**Official Proceedings
Pontiac City Council
210th Session of the Tenth Council**

Call to order

A Formal Meeting of the City Council of Pontiac, Michigan was called to order electronically, on Tuesday January 19, 2021 at 12:03 p.m. by Council President Kermit Williams.

Invocation – Councilperson Dr. Doris Taylor-Burks

Pledge of Allegiance

Roll Call

Members Present	Attendance	Location
Miller	Remotely	Pontiac, MI
Pietila	Remotely	Oakland County, MI
Shramski	Remotely	Pontiac, MI
Taylor-Burks	Remotely	Pontiac, MI
Williams	Remotely	Pontiac, MI

Members Absent: Carter and Waterman
Mayor Waterman was present.
Clerk announced a quorum.

Excuse Councilmembers

20-599 **Motion to excuse Councilmembers Randy Carter and Patrice Waterman for personal reasons. Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.**

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

No: None

Motion Carried

20-600 **Motion to move item 8 (The City Attorney requests a closed session pursuant to MCL 15.268(h), to discuss an attorney-client privileged memorandum regarding a letter received from the Counsel for Rubicon Capital, which is exempt from disclosure pursuant to MCL 15.243(1)(g)) before item 6 (Status of Medical Marihuana applications review procedures; Attorney opinions regarding existing for Special Exemption Permit which renders unnecessary another ordinance amendment, status of Medical Marihuana line item expenditures) and item 7 (City Clerk’s Response to Letter from Rubicon Capital’s Attorney and the Continuation of Mayor Waterman, Attorney Chubb and Attorney Matt Gibb Conflicting Opinions and Distributing Inaccurate Information about the Medical Marihuana Review Process). Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.**

Ayes: Pietila, Shramski and Taylor-Burks

No: Williams and Miller

Motion Failed

Council President Pro Tem Carter arrived at 12:13 p.m. He is attending the meeting remotely from Oakland County, MI.

Approval of the Agenda

20-601 **Motion to approve the agenda.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried

Approval of the Minutes

20-602 **Motion to approve the meeting minutes for November 21, 2020.** Moved by Councilperson Pietila and second by Councilperson Shramski.

Ayes: Taylor-Burks, Williams, Carter, Miller, Pietila & Shramski

No: None

Motion Carried

20-603 **Motion to approve the meeting minutes for January 5, 2021.** Moved by Councilperson Pietila and second by Councilperson Shramski.

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

No: None

Motion Carried

20-604 **Motion to approve the meeting minutes for January 12, 2021.** Moved by Councilperson Miller and second by Councilperson Carter.

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

No: None

Abstain: Williams

Motion Carried

Subcommittee Report Received

Public Safety – December 2020

Special Presentations

Mayor's Refusal to Authorize Finance to pay City Clerk, Elections and Medical Marihuana Invoices

Presentation Presenter: Garland Doyle, Interim City Clerk

Status of Medical Marihuana applications review procedures; Attorney opinions regarding existing for Special Exemption Permit which renders unnecessary another ordinance amendment, status of Medical Marihuana line item expenditures (**This is a continuation of the presentation from January 5, 2021.**)

Presentation Presenter: Matt Gibb, Esq, Special Counsel for Economic Development

20-605 **Resolution to go into Closed Session pursuant to MCL 15.268(h), to discuss an attorney-client privileged memorandum regarding a letter received from the Counsel for Rubicon Capital, which is exempt from disclosure pursuant to MCL 15.243(1)(g). (MCL 15.267 Sec 7. requires a 2/3 roll call vote of members elected or appointed and serving is required to call a closed session, except for the closed sessions permitted under section 8(a), (b), (c), (g), (i), and (j).)** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

WHEREAS, Michigan Open Meetings Act Section B(h), MCL 15.268(h), allows a public body to go into closed session to consider material exempt from discussion or disclosure by state or federal statute; and WHEREAS, Michigan Freedom of information Act Section 13(g) exempts from disclosure records subject to the attorney-client privilege;
NOW, THEREFORE, BE IT RESOLVED by the Pontiac City Council that it recess into closed session to discuss an attorney-client privileged memorandum regarding a letter received from the Counsel for Rubicon Capital, which is exempt from disclosure pursuant to MCL 15.243(1)(g).

Ayes: Pietila and Taylor-Burks
No: Carter, Miller, Shramski and Williams
Resolution Failed

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

Recognition Elected Officials – None

Agenda Address - None

Resolutions

Building and Safety

20-606 **Resolution to approve extension of CARES Act Landlord Reimbursement for Tenant Non-Payment or Stay of Eviction.** Moved by Councilperson Miller and second by Councilperson Shramski.

WHEREAS, the City of Pontiac in the midst of the Pandemic is offering relief for Qualifying Pontiac Landlords, and;
WHEREAS, the City of Pontiac would waive one time the rental inspection fee for Qualifying Landlords, and;
WHEREAS, the Mayor is proposing along with City Council to pass along this relief gesture to qualifying landlords until March 31, 2021,
NOW THEREFORE be resolved that the City Council in solidarity with the Mayor hereby authorizes the waiver of fees for qualifying landlords until March 31, 2001.

Ayes: Miller, Pietila, Shramski, Taylor-Burks and Carter
No: None
Resolution Passed

Department of Public Works (DPW)

20-607 **Resolution to authorize the Mayor to sign the Michigan Department of Transportation (MDOT) funding agreement for construction of the Orchard Lake Road Signal Modernization Project.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

WHEREAS, The City of Pontiac has received the funding agreement from the Michigan Department of Transportation, and;
WHEREAS, The Department of Public Works, Engineering Division has reviewed the subject agreement, and;
WHEREAS, The project is budgeted in the 2021/22 Major Street budget,
NOW, THEREFORE, BE IT RESOLVED, The Pontiac City Council authorizes the Mayor to sign the MDOT funding agreement for construction of the Orchard Lake Rd Signal Modernization CMAQ Project.

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

No: None

Resolution Passed

Finance/Treasury

20-608 **Resolution to approve Mayor recommendation of a Waiver in accrual of penalties for unpaid Winter 2020 property taxes, to provide economic relief to the City of Pontiac residents.**
Moved by Councilperson Pietila and second by Councilperson Shramski.

WHEREAS, In accordance with the City Charter and City Ordinance the Pontiac City Council shall determine the penalty to be levied on the unpaid winter tax balance as of February 14 and the Council determined a 3% late fee penalty to be levied on the delinquent winter tax balance; and
WHEREAS, Many residents of the City of Pontiac City are facing numerous economic challenges due to COVID-19 pandemic; and
WHEREAS, based on the Admission's recommendation, the Pontiac City Council determines that the late fee penalty for unpaid winter property taxes should be suspended for the 2020 winter tax season thru March 1, 2021 to help provide some relief to the City's residents;
NOW, THEREFORE, BE IT RESOLVED, that the Pontiac City Council hereby approves suspension of the penalty for unpaid property taxes for the 2020 winter tax season.

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

No: None

Resolution Passed

Public Comment

Four (4) individuals submitted a public comment read by the City Clerk

Mayor, Clerk and Council Closing Comments

Mayor Waterman, Legislative Council Sharpe, Interim Clerk Doyle, Councilwoman Miller, Councilwoman Shramski, Councilwoman Pietila, Councilwoman Taylor-Burks and Council Pro Tem Carter made closing comments.

Adjournment

President Pro Tem Randy Carter adjourned the meeting at 2:19 p.m.

GARLAND S DOYLE
INTERIM CITY CLERK

#2

ORDINANCE

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

SAMANTHA A. KOPACZ
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January 20, 2021

Pontiac City Council
City Hall
47450 Woodward Avenue
Pontiac, Michigan 48342

Re: (1) Proposed Ordinance to Amend the City of Pontiac General Employees' Retirement System; and (2) Proposed Ordinance to Establish the City of Pontiac Reestablished General Employees' Retirement System

Dear Honorable Council:

As you are aware, the City of Pontiac (the "City") entered into an innovative settlement agreement with a class of retirees ("CPREA") related to City funding of retiree health benefits in the United States District Court for the Eastern District of Michigan Case No. 2:12-cv-12830 (the "Settlement Agreement"). The terms of the Settlement Agreement generally dictate that, subject to approval by the Internal Revenue Service (the "IRS"), the City will terminate the General Employees' Retirement System (the "GERS"), establish a new defined benefit plan under Internal Revenue Code ("Code") §401(a) (which will assume all of the pension liabilities of the GERS plus have an initial "substantial cushion") (the "Reestablished GERS"), and establish a voluntary employees' beneficiary association under Code §501(c)(9) (the "VEBA"). In order to effectuate the Settlement Agreement, Miller Canfield made submissions to the IRS on behalf of the City (collectively, the "IRS Submissions") on May 22, 2020. Copies of the IRS Submissions were previously made available to the Honorable Council.

Of relevance to the Honorable Council today are the IRS Submissions related to (1) the City of Pontiac General Employees' Retirement System Application for Determination for Terminating Plan (IRS Form 5310) ("GERS Termination Application"); and (2) the City of Pontiac Reestablished General Employees' Retirement System Application for Determination for Employee Benefit Plan (IRS Form 5300) ("Reestablished GERS Application").

In December 2020, the City received correspondence from the IRS indicating that the IRS had completed its initial review of the GERS Termination Application and Reestablished GERS Application and had forwarded the two applications to its Quality Assurance division for final review. The Quality Assurance division takes a second look at the applications to ensure that the initial reviewer processed the applications according to IRS guidelines. On January 7, 2021, the City received correspondence from the IRS (enclosed) indicating that it needs the Honorable Council to (1) amend Section 92-52(c)(3) of the GERS (and corresponding section of the Reestablished GERS) to address a technical requirement of the Internal Revenue Code; and

(2) formally establish the Reestablished GERS with an effective date ("IRS Request"). In this regard, enclosed are two proposed ordinances:

1. Proposed Ordinance to Amend the GERS
 - 92-52(c)(3). Amended to provide that a non-spouse beneficiary may only directly roll over distributions from a qualified plan to an individual retirement account.
2. Proposed Ordinance to Establish the Reestablished GERS
 - Establishes the Reestablished GERS effective April 1, 2021 (as previously agreed to by the City and the GERS Board).
 - As required by the Settlement Agreement, the Reestablished GERS is intended to provide benefits identical to those available from the GERS.

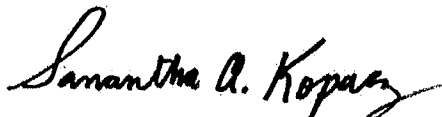
Legal counsel to the GERS Board recently reviewed the provisions updated to reflect the IRS Request (see enclosed correspondence). Thus, it is understood that the GERS Board concurs with the two proposed ordinances.

In order to permit the IRS to issue determination letters related to the GERS Termination Application and Reestablished GERS Application and effectuate the Settlement Agreement, we recommend and respectfully request that the Honorable Council adopt the two proposed ordinances. The IRS has requested that City Council take action in this regard as soon as possible. An IRS representative has verbally represented that once these proposed ordinances are adopted, it will fast track the final approval process to ensure that the City has determination letters related to both applications prior to the March 31, 2021 GERS termination date.

Please contact me with any questions.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.



By: _____
Samantha A. Kopacz

SAK/reu

Enclosures

cc: Dr. Deirdre Waterman, Mayor of City of Pontiac
John Clark, Esq.

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01/20/21



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Mayor Deirdre Waterman, Attorney Samatha Kopacz, Miller Canfield

DATE: January 20, 2021

RE: *ORDINANCE TO AMEND THE CITY OF PONTIAC GENERAL EMPLOYEES' RETIREMENT SYSTEM.*

The City of Pontiac ordains:

Section 1. Amendments.

That the City of Pontiac General Employees' Retirement System ("GERS") is hereby amended as follows:

a. Section 42(c)(3) [92-52(c)(3)] of the GERS is amended in its entirety to read as follows:

(3) Distributee. A "distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are "distributees" with regard to the interest of the spouse or former spouse. A distributee also includes an eligible designated non-spouse beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code section 402(c)(11). Also in this case, the determination of any required minimum distribution under Code section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

Section 2. Severability.

If any section, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause or provision declared to be unconstitutional, void or illegal shall thereby cease to be a part of this Ordinance, but the remainder of the Ordinance shall stand and be in full force and effect.

Section 3. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 4. Publication.

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 5. Effective Date.

This Ordinance shall be effective 10 days after adoption by the City Council.

I hereby certify that the foregoing is a true copy of the Ordinance as passed by the City Council of the City of Pontiac at a regular Council Meeting held electronically in said City on the ____ day of _____, 2021.

Garland S. Doyle, Interim City Clerk

37091770.1/071371.00075
01/20/21

#3

ORDINANCE



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Mayor Deirdre Waterman, Attorney Samatha Kopacz, Miller Canfield

DATE: January 20, 2021

RE: *AN ORDINANCE ESTABLISHING THE CITY OF PONTIAC REESTABLISHED GENERAL EMPL*

OYEEES' RETIREMENT SYSTEM TO REPLACE THE CITY OF PONTIAC GENERAL EMPLOYEES' RETIREMENT SYSTEM.

Ordinance No. XXXX

The City of Pontiac ordains:

Section 1. Amendments.

That the City of Pontiac Reestablished General Employees' Retirement System is hereby established and adopted to read as follows:

CITY OF PONTIAC REESTABLISHED GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 1 NAME AND EFFECTIVE DATE

The City of Pontiac General Employees' Retirement System (codified at chapter 92, article I of the Municipal Code of Pontiac, Michigan) was established effective January 1, 1946, for the purpose of providing retirement allowances and death benefits for employees of the City of Pontiac (the *City*) under the provisions of the amendment to the Charter of the City of Pontiac, Michigan (the *GERS*). The GERS is replaced by the City of Pontiac Reestablished General Employees' Retirement System established by this retirement system (the *Retirement System*).

This Retirement System shall be put into effect immediately upon final passage by the Pontiac City Council with an effective date of April 1, 2021 (the *Effective Date*). This Retirement System will apply to individuals who were members of the GERS on the date immediately prior to the Effective Date and to the limited group of individuals described in Section 11 employed by the City on or after the Effective Date.

SECTION 2 DEFINITIONS

The following words and phrases as used in this Retirement System, unless a different meaning is plainly required by the context, shall have the following meanings:

Accumulated Contributions means the sum of all amounts deducted from the Compensations of a Member and credited to the Member's individual account in the Annuity Savings Fund, together with Regular Interest thereon.

Actuarial Equivalent means the equivalence in the present value of various forms of payment. Present value will be determined by the Retirement System's actuary based upon the mortality tables and interest rates established from time to time by the Board. For purposes of determining the actuarial equivalence of benefits, the actuary for the Retirement System shall use 7.00% interest rate and the RP-2014 Healthy Annuitant Mortality Table projected to 2021 using the 2-dimensional MP-2014 improvement scale Set Forward 0 Years for retirees and for beneficiaries. The unisex mix shall be 50% Male and 50% Female.

Annuity means an annual amount, payable in equal monthly installments for life, derived from the Accumulated Contributions of a member.

Annuity Reserve means the present value of all payments to be made on account of any Annuity computed upon the basis of such mortality table and Regular Interest as the Board shall from time to time adopt.

Annuity Savings Fund means the fund described in Section 32.

Beneficiary means any person, except a Retirant, who is in receipt of a Pension, Retirement Allowance, or other benefit payable from funds of the Retirement System.

Board means the Board of Trustees provided for by this Retirement System.

City means the City of Pontiac, State of Michigan, and any instrumentality of the City.

Compensation means a Member's salary or wages paid by the City for Services rendered by him to the City. In any case where a Member's compensation is not all paid in money, the Board shall fix the value of that part of the Member's compensation not paid in money. Compensation shall include those items specifically referenced in the applicable collective bargaining agreement.

Notwithstanding anything herein to the contrary, *Annual Compensation* shall mean Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Retirement System (the "*determination period*"). The Annual Compensation of each Member taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed \$200,000.00. In determining

benefit accruals in years beginning after December 31, 2001, the Annual Compensation limit for determination periods beginning before January 1, 2002, shall be \$150,000.00 for any determination period beginning in 1996 or earlier; \$160,000.00 for any determination period beginning in 1997, 1998, or 1999; and \$170,000.00 for any determination period beginning in 2000 or 2001. The \$200,000.00 limit on Annual Compensation shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to Annual Compensation for the determination period that begins with or within such calendar year.

Council means the Pontiac City Council.

Credited Service means the sum of the Prior Service and Membership Service credited to a Member's Service Account.

Deferred Vested Former Member means any person who meets the requirements of Section 18.

Effective Date means April 1, 2021.

Final Average Compensation means the highest average Annual Compensation received by a Member during a period of five consecutive years of Service contained within the Member's ten years of Service immediately preceding Retirement. If the Member has less than five years of Credited Service, Final Average Compensation shall be the average of the Member's Annual Compensations received during the Member's total years of Credited Service. Final Average Compensation shall be calculated in accordance with the applicable collective bargaining agreement.

(a) For nonunion employee-Members of the Retirement System (excluding PGH employees), *Final Average Compensation* means the highest average Annual Compensation received by such Member during a period of three consecutive years of Service contained within such Member's ten years of Service immediately preceding Retirement. If the Member has less than three years' Credited Service, Final Average Compensation shall be the average of the Member's Annual Compensation received during the Member's total years of Credited Service.

(b) Effective July 1, 1996, *Final Average Compensation* for 50th Judicial District Court Judges and nonunion employee-Members (i) means the highest average Annual Compensation received by such Member during a period of three consecutive years of Service contained within such Member's five years of Service immediately preceding Retirement; and (ii) shall include the amount of payment by the City to the employee-Member for unused sick time contained in the employee-Member's primary sick leave bank up to a maximum of 1,500 hours.

(c) Effective July 1, 2002, *Final Average Compensation* for nonunion management employee-Members of the Retirement System means the highest average Annual Compensation received by such Member during a period of three consecutive years of Service contained within such Member's ten years of Service immediately preceding Retirement. If such Member has less than three years' Credited Service, Final Average Compensation shall be the average of such Member's Annual Compensation received during the Member's total years of Credited Service.

(d) For purposes of calculating Final Average Compensation, the term *year* shall mean

the period of time consisting of 365 days (366 days in a leap year) corresponding back from the Member's effective Retirement/separation date. In the event the Member's periods of Service immediately preceding the Member's effective Retirement/separation date do not result in the highest Final Average Compensation, the Member's benefits will be calculated based upon a calendar year basis. The periods of time to be used for Final Average Compensation shall be consecutive. Compensation shall be credited to the period in which it is paid; however, retroactive pay, if any, shall be credited to the period(s) in which it would have been paid/earned and not to the period in which the lump sum payment is received in accordance with Board's final average compensation policy.

(e) For nonunion employee-Members, Final Average Compensation shall include the amount of the payment by the employer to the nonunion employee-Member for unused sick time contained in the nonunion employee-Member's primary sick leave bank up to a maximum of 1,500 hours. For nonunion employee-Members, Compensation shall include longevity at the time of retirement.

(f) Effective November 9, 1981, for Member's who have rights pursuant to an amended agreement (as a result of a settlement of litigation as authorized by City Council Resolution No. 770-84 adopted November 20, 1984, and in accordance with a consent judgment dated July 23, 1985, in Oakland County Circuit Court, Case No. 83-254373CK), *Final Average Compensation* shall include the amount of payment by the employer to the employee for unused sick leave pursuant to said amended agreement.

Final Compensation means a Member's annual rate of Compensation at the time the Member's employment with the City is last terminated.

GERS means the City of Pontiac General Employees' Retirement System established effective January 1, 1946, as amended and/orrestated.

GERS Assets means assets held within the GERS on the date of its termination equal to 130% of the GERS liabilities/obligations on that date.

IRC means the Internal Revenue Code of 1986, as amended.

Member means any person who is included in the Membership of the Retirement System.

Member's Service Account means the account described in Section 15.

Membership has the meaning set forth in Section 11.

Membership Service means Service rendered after December 31, 1945.

Pension means an annual amount, payable in equal monthly installments for life, derived from moneys provided by the City.

Pension Reserve means the present value of all payments to be made on account of any Pension computed upon the basis of such mortality and other tables of experience, and Regular Interest, as

the Board shall from time to time adopt.

Pension Reserve Fund means the fund described in Section 34.

PGH means the Pontiac General Hospital.

Plan Year means the 12-month period ending each December 31.

Police or Fire Member or Police or Fire Members means, in the case of a police officer, any employee of the Police Department of the City holding the rank of patrol officer, including probationary patrol officer, or higher rank; and in the case of the fire fighter, any employee of the Fire Department of the City holding the rank of pipeman, including probationary pipeman, or higher rank, who shall be excluded from Membership in the Retirement System.

Prior Service means service rendered to the City prior to January 1, 1946.

Regular Interest means such rates of interest per annum, compounded annually, as the Board shall from time to time determine; provided, that regular interest shall be determined by the Board but in no case shall be less than two percent per annum, compounded annually.

Retirant means any Member who retires with a Pension or Retirement Allowance payable pursuant to the provisions of this Retirement System.

Retirement means withdrawal from active Service with a Pension or Retirement Allowance granted under this Retirement System.

Retirement Allowance means the sum of the Annuity and the Pension.

Retirement Reserve Fund means the fund described in Section 33.

Retirement System means this City of Pontiac Reestablished General Employees' Retirement System.

Service means service rendered to the City by a person as an officer or employee of the City while a Member of the Retirement System or member of the GERS.

Settlement Agreement means the settlement agreement entered into in *City of Pontiac Retired Employees Association et. al. v. Schimmel et. al.*, Docket #64-2, Case No. 2:12-cv-12830-AC-PJK dated March 30, 2018 (United States District Court Eastern District of Michigan), which was given final approval by the court on November 19, 2018.

Social Security Date means the date the agreement between the authorized State agency and the Secretary of Health, Education and Welfare of the United States is modified to cover the eligible employees of the City under the Old-Age and Survivor's Insurance Program of the Federal Social Security Act.

Trustee means an individual serving on the Board.

Voluntary Retirement Age means age 55 years with 25 or more years of Credited Service, otherwise age 60 years. Voluntary Retirement Age shall be the age and/or service requirements specifically referenced in the applicable collective bargaining agreement.

(a) Effective July 1, 1996, *Voluntary Retirement Age* for 50th Judicial District Court Judges and nonunion employee-Members of the retirement system shall mean age 50 with 25 or more years of Credited Service; age 55 with 20 or more years of Credited Service; otherwise age 60 with ten or more years of Credited Service.

The masculine gender shall include the feminine, and words of the singular number in relation to persons shall include the plural number and vice versa. Headings are for convenience and are not controlling.

SECTION 3

TRANSFER OF ASSETS / ASSUMPTION OF LIABILITIES AND OBLIGATIONS

As soon as administratively feasible after the Effective Date, the GERS Assets shall be transferred to or assumed by, and become assets of the Retirement System.

All obligations and liabilities of the GERS existing on the Effective Date, including continuation of payments and accrual of benefits, are hereby assumed by and made obligations and liabilities of the Retirement System upon transfer of the GERS Assets to the Retirement System.

The assets and obligations so transferred to and assumed by the Retirement System shall be charged to or credited to the various accounts of the Retirement System according to the purposes for which they existed under the GERS.

Benefits provided under this Retirement System are meant to replace the benefits which would have otherwise been available to the Members and Beneficiaries had the GERS not terminated (and had its assets not been transferred to and liabilities assumed by the Retirement System). In no event shall a Member or Beneficiary receive duplicative benefits under both the GERS and the Retirement System.

SECTION 4

ADMINISTRATION OF RETIREMENT SYSTEM

There is hereby created a Board in whom is vested the general administration, management, and responsibility for the proper operation of the Retirement System and for making effective the provisions of this Retirement System. The Board shall be a quasi-judicial body consisting of 11 Trustees as follows:

- (a) A member of the Council to be selected by the Council.
- (b) The Mayor of the City.
- (c) The Finance Director of the City.

(d) The Council shall appoint three citizens who are electors and freeholders of the City and who are not eligible to receive benefits under this Retirement System, hereinafter referred to as the citizen Trustees.

(e) Three Members of the Retirement System, one of whom shall be an active Member to be nominated and elected by the active Members of the Retirement System, and two of whom shall be either active, deferred vested or retired Members, nominated and elected by the active, deferred vested and retired Members (hereinafter referred to as the "Member Trustees").

(f) One Retirant of the Retirement System to be elected by the Retirants of the Retirement System.

(g) One deferred vested or retired Member of the Retirement System who was formerly employed by Pontiac General Hospital ("PGH Member") shall be nominated and elected by the deferred vested or retired Members who were formerly employed by PGH, pursuant to an election or nominating procedure adopted by the PGH Members. Elections shall be conducted by the PGH Members and shall be held in such a manner as to afford all PGH deferred and retired Members the opportunity to vote.

(h) The election of the Trustees provided for in subsections (e) and (f) of this section shall be conducted under such rules and regulations as the Board shall adopt to govern such elections.

(i) In exercising its fiduciary responsibilities, the Board shall act for the exclusive benefit of the Retirement System's participants and their beneficiaries and shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that an individual of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and similar objectives.

(j) The Board shall indemnify to the extent authorized or permitted by law the members of the Board, their representatives, and any other employees of the City who are deemed to be acting on behalf of the Retirement System and hold them harmless against any and all liabilities, including legal fees and expenses, arising out of any act or omission made or suffered in good faith pursuant to the provisions of the Retirement System, or arising out of any failure to discharge any fiduciary obligation imposed, other than a willful failure to discharge a fiduciary obligation of which the person was aware. There shall be no duty to indemnify where such person is judicially determined to have incurred liability due to fraud, gross negligence, or malfeasance in the exercise and performance of their duties.

SECTION 5 APPLICABLE LAW

The Board shall administer this Retirement System consistent with the trust fund provisions, Article 9, Section 24, of the State of Michigan Constitution and other applicable law. The Board shall have the fiduciary obligations, limitations, and authority as provided by Public Act 314 of 1965 of the State statutes, as amended. The Board shall administer this Retirement System in accordance with applicable collective bargaining agreements; provided, that any increase in Pension benefits, provided by collective bargaining agreement or otherwise, shall be funded by

the employer; and provided further, that the assets of the Retirement System representing current service funding shall not be used to fund such increase in benefits.

SECTION 6
TRUSTEES' REGULAR TERM OF OFFICE—VACANCY

The board of trustees of the GERS, as comprised on the date prior to the Effective Date, is hereby designated and continued as the initial Board of the Retirement System. The terms of office of the Trustees holding office on the Effective Date shall expire on the same date as they would have expired had the termination of the GERS not occurred.

Thereafter, the regular term of office of the citizen Trustees, the employee Member-Trustees, and the Retirant-Trustee provided for in Sections 4(d), (e), (f), and (g) shall be four years, each serving until a successor is elected or appointed and qualified. If a vacancy occurs in the office of Trustee, the vacancy shall be filled within 90 days after the date of the vacancy, for the unexpired term, in the same manner as the office was previously filled. A vacancy shall occur: (1) if the Trustee ceases to be eligible for nomination for the position being held, or (2) the Trustee fails to meet the standards of attendance as adopted by the Board. Each Trustee shall within ten days after appointment or election take an oath of office to be administered by the City Clerk.

SECTION 7
MEETINGS OF THE BOARD—COMPENSATION—PROHIBITED ACTIONS

The Board shall hold meetings regularly, at least one in each month, and shall designate the time and place thereof. The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the Board shall be public. The members of the Board shall serve without compensation for their services as Trustees, and shall be reimbursed for all actual necessary expense incurred in performance of duties.

All assets of the Retirement System shall be held and invested for the sole purpose of meeting the legitimate obligations of the Retirement System and shall be used for no other purpose. Members of the Board and its representatives are prohibited from:

- (1) Having a beneficial interest, direct or indirect, in an investment of the Retirement System.
- (2) Borrowing money or assets of the Retirement System.
- (3) Receiving any pay or payment from any individual or organization providing services to the Retirement System, other than compensation for personal services or reimbursement of authorized expenses paid by the Retirement System.

The Board shall adopt policies and procedures for the proper administration of the Retirement System.

Nothing contained herein shall be construed to impair the rights of any Member, Retirant, or Beneficiary of the Retirement System to benefits provided by the Retirement System.

SECTION 8
EACH TRUSTEE ENTITLED TO VOTE

Six Trustees shall constitute a quorum at any meeting of the Board. Each Trustee shall be entitled to one vote in the meeting of the Board and at least six concurring votes shall be necessary for a decision by the Trustees.

However, seven concurring votes shall be required (a) whenever the Board votes to invest in any alternative investment, including but not limited to real estate, private equity, or hedge funds; and (b) whenever the Board votes on any investment decision if the Retirement System is determined by the Retirement System's actuary to be less than 90% funded.

SECTION 9
CHAIR OF BOARD—OFFICERS AND PROFESSIONAL ADVISORS

The Board shall annually elect from its members a Chairperson and a Vice Chairperson.

- (a) Secretary. The Director of Finance, ex officio, shall be the Secretary to the Board.
- (b) Treasurer. The Board may select a custodial bank or trust company to provide custodial services to the Retirement System. All payments from the funds of the Retirement System shall be made in accordance with law only upon resolution adopted by the Board authorizing such payment or payments.
- (c) Legal Advisor. An attorney selected by the Board shall be the legal advisor to the Board and shall serve at the pleasure of the Board.
- (d) Actuary. The Board shall appoint an actuary who shall be the technical advisor to the Board on matters regarding the operation of the Retirement System and who shall perform such other duties as are required in connection therewith.
- (e) Medical Director. The Board shall appoint as Medical Director a physician who is not eligible for Membership in the Retirement System, and who has not within five years prior to appointment as Medical Director filled an elective, appointive, or salaried office in the City or Oakland County governments; provided, that service as an intern in any City, County, or State hospital or sanitarium, and service in any military body, shall not disqualify a physician for appointment as Medical Director. The Medical Director shall be responsible to and shall hold office at the pleasure of the Board. The Medical Director shall arrange for and pass upon all medical examinations required under the provisions of this Retirement System; shall investigate all essential statements and certificates of a medical nature by or on behalf of a Member or Beneficiary in connection with an application for disability benefits or accidental death benefits; and shall report in writing to the Board his/her conclusions on matters referred to the Medical Director.

(f) Employment of Professional and Clerical Services. The Board may employ such professional, clerical, and other services as are required for the proper operation of the Retirement System.

(g) Executive Director. The Board may delegate to an Executive Director the responsibility and authority to act on its behalf regarding administrative matters that are within the authority of the Board. No delegation under the provision shall be construed as a delegation of the Board's fiduciary responsibility. The Executive Director shall manage and administer the Retirement System under the supervision and direction of the Board. The Board shall have the authority to establish job descriptions and promulgate rules and regulations appropriate for the Executive Director and Retirement System staff.

SECTION 10 SYSTEM RECORDS AND MORTALITY TABLES

(a) Records of Retirement System—Annual Report. The Secretary shall keep, or cause to be kept, in convenient form, such data as shall be necessary for an actuarial valuation of the assets and liabilities of the Retirement System. The Board annually shall render a report to the Council, on or before November 1st, showing the fiscal transactions of the Retirement System for the prior calendar year and a balance sheet showing the financial condition of the Retirement System at the close of the prior calendar year by means of an actuarial valuation of the assets and liabilities of the Retirement System.

(b) Mortality and Other Tables. The Board shall adopt such mortality and other tables of experience as are necessary in the operation of the Retirement System on an actuarial basis.

SECTION 11 MEMBERSHIP

(a) Membership Consists Of. The "Membership" of the Retirement System shall include (1) all employees and officials of the City who were in the service of the City on the day preceding January 1, 1946 and who continue in the service of the City on and after January 1, 1946, and (2) subject to section (g) below, all persons who become employees of the City, the City of Pontiac Police and Fire Retirement System, the GERS, and/or the Retirement System, on and after January 1, 1946. The "Membership" of the Retirement System shall not include (1) any person whose services are compensated for on a contractual or fee basis, (2) the Medical Director, (3) elected officials of the City who are employed in a City position requiring less than full-time, (4) any employee who is not a full-time, regular employee, (5) any employee who has once retired on any type of Retirement Allowance from the Retirement System (or a retirement allowance from the GERS), and is subsequently rehired by the City, (6) any police officer or firefighter who is a member of the City of Pontiac Police and Fire Retirement System, or (7) any employee who is included by law, by action of the Council, by collective bargaining agreement, by individual employment agreement or by individual choice of retirement plan, in any other pension or retirement plan by reason of the compensation paid by the City, except the Federal Old Age, Survivors and Disability Insurance program.

(b) Right to Decide Membership. In cases of doubt, the Board shall decide who is a Member within the meaning of the provisions of this Retirement System. For purposes of determining Membership, employment with the City of Pontiac Police and Fire Retirement System, the GERS, and/or the Retirement System shall be considered Membership positions.

(c) Continued Membership. Notwithstanding any provision hereof to the contrary, any person who becomes a Member of the Retirement System as a full-time, regular employee shall remain a Member of the Retirement System as long as said person remains an employee of the City, the City of Pontiac Police and Fire Retirement System, the GERS, and/or the Retirement System, even if such person shall at any time, subsequent to becoming a Member of the Retirement System, become a part-time employee and not a full-time, regular employee, provided said Member has not had a break in service. Credited Service for such employees who are Members of the Retirement System shall be computed as set forth in rules and regulations to be established by the Board.

(d) Effect of Workers Compensation. Members who are in receipt of workers' compensation will be granted Credited Service for the period during which they are in receipt of workers' compensation. No Credited Service will be earned during any period without pay including unpaid leaves of absence including leaves under Family Medical Leave Act of 1993, as amended.

(e) Mayor of the City. Each Mayor of the City shall have a period of thirty (30) days after taking office to elect, in writing directed to the Secretary, whether or not to be a Member of the Retirement System. Once such election has been made by any Mayor, it shall be irrevocable for that Mayor. In the case of such election not to be a Member of the Retirement System by a Mayor, neither that Mayor nor any beneficiary of at Mayor so electing shall be entitled to any payments from the Retirement System.

(f) Participation in other City Retirement Plans. In the event an individual elects to participate in any other pension or retirement system provided by the City, the individual shall no longer be eligible for Membership in the Retirement System. Once such election has been made by the individual, it shall be irrevocable and shall be binding on the individual and any beneficiary of the individual. "Pension" or "retirement system", as referenced in this Section, shall not include an eligible deferred compensation plan provided by the City.

(g) Closed Membership. No person hired after April 1, 2013, shall be eligible to participate in the Retirement System, except for employees hired pursuant to, and whose employment is covered by, the Michigan Association of Public Employees (MAPE) collective bargaining agreement with the City.

SECTION 12 SEPARATION AND RE-EMPLOYMENT

Except as otherwise provided in this Retirement System, should any Member separate from the Service of the City, for any reason except Retirement or death, the individual shall thereupon cease to be a Member and the Member's Credited Service at that time shall be forfeited. Provided,

however, any person who has been a Member, and who is re-employed by the City in a position qualifying for Membership under the provisions of Section 11, shall again become a Member. In such case, if the re-employed Member completes three years of Service after re-entry, the Credited Service previously forfeited by the Member shall be restored to the Member's Service Account, if the Member returns to the Annuity Savings Fund the amounts the individual may have withdrawn therefrom and not returned thereto, together with Regular Interest thereon from the date of withdrawal to the repayment. Upon Retirement or death, the individual's Membership shall terminate.

In the event a Retirant or Beneficiary is employed by the City, payment of the individual's Pension shall continue and shall not be suspended during the period of employment. During the period of employment by the City, the individual shall not be a Member.

SECTION 13 SERVICE CREDITABLE

The Board shall fix and determine by appropriate rules and regulations how much Service in any calendar year is equivalent to a year of Service, but in no case shall less than ten days' Service in a calendar month constitute a month of Service; nor shall less than nine months' Service in a calendar year constitute a year of Service; nor shall more than one year of Service be credited for all Service rendered in one calendar year.

SECTION 14 ACTIVE MILITARY SERVICE

In the event any person, who, while employed by the City, was called to or entered any armed service of the United States, or any Member who is called to or enters any armed service of the United States, and who has been or shall be on active duty in such armed service during time of war or other national emergency, and is re-employed by the City within 90 days from the date of termination of required armed service, then such armed service shall be credited as City Service in the same manner as if the individual had served the City uninterruptedly; provided, that the Member returns to the Annuity Savings Fund all amounts withdrawn therefrom at the time the Member entered, or while in such armed service, together with Regular Interest thereon from the date of withdrawal to the date of repayment. In any case of doubt as to the period to be so credited any Member, the Board shall have final power to determine such period. During the period of such armed service rendered to the Federal government and until the individual's re-employment by the City, the Member's contributions to the Annuity Savings Fund shall be suspended and the balance standing to the Member's credit in the said fund shall be accumulated at Regular Interest. Notwithstanding any provision of the Retirement System to the contrary, contributions, benefits and Credited Service with respect to qualified military service will be provided in accordance with IRC section 414(u) and regulations.

Effective January 1, 2007, the beneficiary of a Member on a leave of absence to perform military service with reemployment rights described in IRC section 414(u) where the Member cannot return to employment on account of his or her death shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided

under the Retirement System had the Member died as an active employee, in accordance with IRC section 401(a)(37).

An individual receiving a differential wage payment is treated as an employee of the employer making the payment, and further, the differential wage payment shall be treated as compensation for purposes of IRC section 415.

SECTION 15 MEMBERS' SERVICE ACCOUNT

The Board shall credit each Member's Service Account with the number of years and months of Prior Service and Membership Service to which he may be entitled.

SECTION 16 WRITTEN APPLICATION TO RETIRE

Any Member who has attained or attains Voluntary Retirement Age and has ten or more years of Credited Service may retire upon written application filed with the Board setting forth at what time, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, the Member's desire to be retired. Upon Retirement, a Member shall receive a Retirement Allowance provided for in Section 17.

SECTION 17 PAYMENT OPTIONS

Upon Retirement, a Member who has attained Voluntary Retirement Age and has ten or more years of Credited Service shall receive a regular Retirement Allowance which shall consist of the benefits hereinafter set forth in this section, and the Member shall have the right to elect an option provided for in Section 21.

(a) (1) An Annuity which shall be the Actuarial Equivalent of the Accumulated Contributions standing to the Member's credit in the Annuity Savings Fund at the time of the Member's Retirement; and

(2) A Pension when added to the Member's Annuity will provide a Retirement Allowance equal to the number of years, and fraction of a year, of the Member's Credited Service, multiplied by the sum of 1.5 percent of the first \$9,000.00 of the Member's Final Average Compensation and 2.0 percent of the portion of the Member's Final Average Compensation in excess of \$9,000.00. All Retirement Allowances effective before July 1, 1974, shall be increased July 1, 1974, by 2.5 percent multiplied by the number of complete years elapsed since the date the Retirement Allowance became effective. No Member shall receive an increase of less than 2.5 percent.

(b) Effective November 9, 1981, for Member's who have rights pursuant to an "amended agreement" (as a result of litigation as authorized by City Council Resolution No. 770-84 adopted November 20, 1984, and in accordance with a court judgment dated July 23, 1985, in

Oakland County Circuit Court, Case No. 83-254373CK), a Pension which when added to the Member's Annuity will provide a Retirement Allowance equal to the number of years, and fraction of a year, of the Member's Credited Service, multiplied by the sum of 2.25 percent of the first \$9,000.00 of the Member's Final Average Compensation and 2.0 percent of the portion of the Member's Final Average Compensation in excess of \$9,000.00. Such Members shall be entitled to receive a regular or deferred Retirement Allowance, which is the greater of the amount provided for herein or the amount based on the formula in existence as of the date of such Member's separation from City employment.

(c) Effective July 1, 1996, for 50th Judicial District Court Judges and nonunion employee-Member's, a Pension when added to the Member's Annuity will provide a Retirement Allowance equal to the number of years, and fraction of a year, of his/her Credited Service, multiplied by the product of 2.25 percent times his/her Final Average Compensation.

(d) Effective July 1, 2002, a Pension, when added to the Annuity of a nonunion employee-Member, will provide a Retirement Allowance equal to the number of years, and fraction of a year, of his/her Credited Service, multiplied by the product of 2.5 percent times his/her Final Average Compensation.

(e) According to such rules and regulations as the Board may from time to time adopt, any Member who retires prior to his/her attainment of age 65 years may elect to have his/her Retirement Allowance equated on an actuarial basis to provide an increased Retirement Allowance payable to his/her attainment of age 65 years and a reduced Retirement Allowance payable thereafter. His/her increased Retirement Allowance payable to his/her attainment of age 65 years shall approximate the sum of his/her reduced Retirement Allowance to be payable after his/her attainment of age 65 years and his/her estimated Social Security primary insurance amount.

(f) In the event a Retirant dies before he/she has received in Retirement Allowances payments an aggregate amount equal to his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund at the time of his/her Retirement, the difference between his/her said Accumulated Contributions and the said aggregate amount of Retirement Allowance payments received by him/her shall be paid to such person or persons as he/she shall have nominated by written designation duly executed and filed with the Board.

If there is no such designated person or persons surviving the said Retirant, such difference, if any, shall be paid to his/her legal representative. No benefits shall be paid under this subsection on account of the death of a Retirant if he/she has elected an option provided for in Section 21.

(g) In the event a Member, who is a Member at the Social Security Date, retired prior to the date the Member acquires Social Security fully insured status on account of his/her City employment, the Pension portion of his/her Retirement Allowance shall not be less than the sum of (a) \$120.00, plus (b) 1/115 of the Member's Final Average Compensation multiplied by the number of years, and fraction of a year, of the Member's Credited Service rendered after December 31,

1945, plus (c) 1/90 of the Member's Final Average Compensation multiplied by the number of years, and fraction of a year, of the Member's Credited Service rendered prior to January 1, 1946.

**SECTION 18
DEFERRED RETIREMENT**

Should any Member who has ten or more years of Credited Service separate from the Service of the City prior to attainment of Voluntary Retirement Age, for any reason except Retirement or death, the individual shall be a Deferred Vested Former Member during the period of absence from City Service for the sole and exclusive purpose only of receiving a Retirement Allowance provided for in Section 17(a), (b), (d) and (e), provided the individual does not withdraw their Accumulated Contributions. A Deferred Vested Former Member's Retirement Allowance shall begin as of the first day of the calendar month next following the month in which the Deferred Vested Former Member files with the Board an application for same and has attained Voluntary Retirement Age. In no case shall any such Deferred Vested Former Member receive Service credit for said period of absence from City Service, except as otherwise provided in this Retirement System. In the event such a Deferred Vested Former Member withdraws all or part of their Accumulated Contributions from the Annuity Savings Fund, the individual shall thereupon cease to be a Deferred Vested Former Member and the individual shall forfeit all rights in and to a deferred Retirement Allowance provided for in this section.

The provisions of this Retirement System notwithstanding, the accrued benefit for Members shall be nonforfeitable upon the attainment of Voluntary Retirement Age. Upon termination of the Retirement System or upon complete discontinuance of City contributions under this Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

**SECTION 19
REORGANIZATION/REDUCTION OF WORKFORCE 2003**

Effective July 3, 2003, upon finding it is in the best interest of the City as it relates to Retirement System nonunion employees in the executive, legislative and Stadium Building Authority branches of government, the City Council may authorize nonunion employees in cases where reorganization and/or a reduction in workforce is necessary, an employee with a minimum of 18 years of Credited Service whose age combined with years of Credited Service comprises a minimum total score of at least 70 points, said employee will be eligible to elect Retirement without penalty.

Prior to City Council approving this type of Retirement for nonunion employees in the executive branch, authorization from the Mayor must be obtained.

Approval of Stadium Building Authority employees shall also require the concurrence of the Pontiac Stadium Building Authority, if applicable, that nonunion stadium employees who meet the above referenced criteria and are Members shall likewise be eligible to elect Retirement without penalty.

Employees who are active City employees as of May 1, 2013, who are not members of any union, who are participants in the GERS, who have attained the age of 45, and who have at least 13 years of service may, by May 31, 2013, file their intention to retire, and such retirement date shall be no later than June 30, 2013.

Employees who are active City employees as of April 1, 2013, who are not members of any union, who are participants in the GERS, who have attained the age of 42, and who have at least 14 years of service may, by April 30, 2013, file their intention to retire, and such retirement date shall be no later than June 30, 2013.

Early Retirement Window. Any former City of Pontiac employees who are or were Members of the GERS/Retirement System and who meet the following criteria will be eligible to participate in an early retirement:

(a) The former employee was involuntarily separated from employment with the City between March 23, 2009, and August 19, 2013, for reasons not connected with disciplinary action.

(b) The former employee had ten (10) years of Credited Service in the GERS at the time of separation from employment. Former employees who meet this requirement based on the Reciprocal Retirement Act shall also be eligible for this benefit. However, said former employee shall not be eligible to commence receipt of this early retirement benefit unless or until they have attained the age of forty-three (43). Former employees who meet the criteria of this section (b) and have attained the age of 43 by December 31, 2017, shall commence receipt of their benefit payable effective January 1, 2018. Former employees who otherwise meet the criteria set forth in this early retirement provision, but who have not yet attained the age of 43, will not be eligible to commence receipt of this benefit until the first day of the month following the month in which they attain the age of 43. Said employees shall be required to comply with the application filing process set forth in Section 16.

(c) A qualifying individual retiring under this provision will have their Retirement Allowance calculated based on years of Credited Service at the time of separation in conjunction with the applicable multiplier and formula contained in the individual's Collective Bargaining Agreement or the individual's non-union pay plan in effect at the time of the person's separation.

(d) All eligible Members (including those who have not yet attained the age of forty-three (43)), will be required to file their intention to retire under this Section with the Executive Director of the GERS no later than 30 days following the date of final City approval and not before final approval.

(e) Employees who are eligible for this early retirement benefit shall not be offered any form of retiree health care until they obtain the age of 60. Such retiree health care benefit shall be strictly guided by the Settlement Agreement.

SECTION 20
2000 POST RETIREMENT INCREASE

(a) All persons who are receiving retirement benefits as of December 31, 2000, based upon a minimum of nine years and nine months of Credited Service, disability, or death, and who are not eligible to receive a post retirement increase, shall be entitled to receive an increase in their annual Retirement Allowance based upon the greater of (1) two percent of their Retirement Allowance otherwise provided, or (2) \$1.00 per month of Credited Service with a minimum increase of \$120.00 and a maximum increase of \$300.00 per year. Each year such person's Retirement Allowance shall be increased by the identical amount, such increase to be cumulative (non-compounding) for a period of six years, which, at the end of said six-year period, shall continue at that amount thereafter.

(b) *Temporary pension increase.*

All persons who are receiving retirement benefits as of August 1, 2013 or who enter pay status through August 1, 2021 shall be entitled to receive an increase in their monthly Retirement Allowance of \$400.00 per month beginning September 1, 2013 through August 31, 2021 or when the CPREA litigation is resolved and health insurance will be provided to the retiree class, whichever comes first.

Cost of living allowance shall be payable on the temporary pension increase for the period of September 1, 2013, through March 31, 2015, in accordance with the appropriate bargaining agreements for retired union Members based on the individual retiree's number of years of Retirement and Section 26 for retired nonunion Members.

SECTION 21
OPTIONAL FORMS OF PAYMENT

(a) Prior to the effective date of the Member's Retirement, but not thereafter, a Member may elect to receive his/her Retirement Allowance as a regular Retirement Allowance payable throughout his/her life; or the Member may elect to receive the Actuarial Equivalent, at that time, of his/her regular Retirement Allowance in a reduced Retirement Allowance payable throughout his/her life, and nominate a beneficiary, in accordance with the provisions of Option 1, 2, 3, 4, or 5, as hereinafter set forth. If a Member does not have an option election in force at the effective date of his/her Retirement, the Member's Retirement Allowance shall be paid as a regular Retirement Allowance.

Option 1—Cash Refund Annuity. If a Retirant dies before he/she has received in the Annuity portions of his/her reduced Retirement Allowance an aggregate amount equal to his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund at the time of his/her Retirement, the difference between his/her said Accumulated Contributions and the said aggregate amount of Annuity payments received by him shall be paid to such person or persons as he/she shall have nominated by written designation duly executed and filed with the Board. If there be no such designated person or persons surviving the said Retirant, such difference, if any, shall be paid to his/her legal representative.

Option 2—Joint and Survivor Allowance. Upon the death of a Retirant, his/her reduced Retirement Allowance shall be continued throughout the life of and paid to such person, having an insurable interest in the Retirant's life, as the Retirant shall have nominated by written designation duly executed and filed with the Board prior to the effective date of his/her Retirement.

Option 3—Modified Joint and Survivor Allowance. Upon the death of a Retirant, one-half of his/her reduced Retirement Allowance shall be continued throughout the life of and paid to such person, having an insurable interest in the Retirant's life, as the Retirant shall have nominated by written designation duly executed and filed with the Board prior to the effective date of his/her Retirement.

Option 4—"Pop-Up" Allowance. Upon the death of a Retirant who elected a "pop-up" allowance, the Retirant's reduced Retirement Allowance shall be continued throughout the life of and paid to such individual, the beneficiary, who has an insurable interest in the Retirant's life and who was nominated by the Retirant by written designation duly executed and filed with the Board prior to the effective date of Retirement. If the person nominated as beneficiary thereunder predeceases the Retirant, the Retirant shall thereafter receive his/her Retirement Allowance as regular Retirement Allowance, unreduced, payable the month following the month in which the beneficiary died and for the remaining lifetime of the Retirant.

Option 5—"50 Percent Pop-Up" Allowance. Upon the death of a Retirant who elected a "50 percent pop-up" allowance, 50 percent of the Retirant's reduced Retirement Allowance shall be continued throughout the life of and paid to such individual, the beneficiary, who has an insurable interest in the Retirant's life and who was nominated by the Retirant by written designation duly executed and filed with the Board prior to the effective date of Retirement. If the person nominated as beneficiary hereunder predeceases the Retirant, the Retirant shall thereafter receive his/her Retirement Allowance as a regular Retirement Allowance unreduced, payable the month following the month in which the beneficiary died and for the remaining lifetime of the Retirant.

(b) If any benefits become payable under Section 28 on account of the death of the Retirant who was receiving a Retirement Allowance under Option 2, 3, or 4 above, no Retirement Allowance shall be paid to his/her designated beneficiary under the said Option 2, 3, or 4. If the said Retirant dies before he received in Retirement Allowance payments an aggregate amount equal to, but not exceeding, his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund at the time of his/her Retirement, the difference between his/her said Accumulated Contributions and the said aggregate amount of Retirement Allowance payments received by him shall be paid from the Retirement Reserve Fund to his/her said designated beneficiary, if living, otherwise to his/her legal representative.

SECTION 22 OPTION 2 ELECTION

Any Member who continues in the Service of the City on or after the date he/she has ten or more years of Credited Service may, at any time prior to the effective date of his/her Retirement but

not thereafter, elect Option 2 provided for in Section 21, in the same manner as if the Member were then retiring from Service, and nominate a beneficiary who has an insurable interest in the life of the Member. Prior to the effective date of the Member's Retirement, a Member may revoke his/her said election of Option 2 and nomination of beneficiary and may again elect the said Option 2 and nominate a beneficiary as provided in this section. Upon the death of a Member who has an Option 2 election in force, his/her beneficiary, if living, shall immediately receive the same Retirement Allowance to which the said beneficiary would have been entitled if the said Member had retired the day preceding the date of his/her death, notwithstanding that the Member may not have attained his/her Voluntary Retirement Age; provided that the said Option 2 shall be applied to a Retirement Allowance computed according to Sections 17(a) and (b) for a beneficiary of a deceased Member, and according to Section 23 for a beneficiary of a deceased Member. If a Member has an Option 2 election in force at time of his/her Retirement, the Member's said election of Option 2 and nomination of beneficiary shall thereafter continue in force, unless prior to the effective date of the Member's Retirement he/she elects to receive his/her Retirement Allowance as a regular Retirement Allowance or according to any option provided for in Section 21. No benefits shall be paid under this section on account of the death of a Member if any benefits are paid under Section 28 on account of his/her death.

SECTION 23 DEATH IN SERVICE

Any Member who continues in the Service of the City on or after the date he/she has ten or more years of Credited Service, and does not have an Option 2 election in force as provided in Section 22, and (1) dies while in City Service, and (2) leaves a surviving spouse, the surviving spouse shall immediately receive the same Retirement Allowance to which the said beneficiary would have been entitled if the said Member had (1) retired the day preceding the date of his/her death notwithstanding that the Member may not have attained his/her Voluntary Retirement Age, (2) elected Option 2 provided for in Section 21, and (3) nominated his/her said surviving spouse, as the case may be, as beneficiary. No benefit shall be paid under this section on account of the death of a Member if any benefits are paid under Section 28 on account of his/her death.

SECTION 24 DISABILITY RETIREMENT

(a) Upon the application of a Member, or his/her department head, a Member who (1) is in the Service of the City, (2) has ten or more years of Credited Service, (3) becomes totally and permanently incapacitated for duty in the Service of the City, by reason of a personal injury or disease, may be retired by the Board; provided, the Medical Director, after a medical examination of the said Member, reports to the Board (1) that said Member is physically or mentally totally incapacitated for duty in the Service of the City, (2) that such incapacity will probably be permanent, and (3) that such Member should be retired.

(b) A Member with less than ten years of Credited Service shall have the ten years' Service requirement provided for in subsection (a) of this section waived; provided, that (1) the Board finds the Member is totally and permanently incapacitated for duty in the Service of the City as the natural and proximate result of a personal injury or disease arising out of and in the

course of his/her actual performance of duty in the Service of the City, and (2) the Member is in receipt of Workers' Compensation on account of his/her said physical or mental capacity.

SECTION 25 MINIMUM DISABILITY ANNUITY

Upon a Member's Retirement on account of disability as provided in Section 24, a Member shall receive a disability Retirement Allowance computed according to Sections 17(a)(1), (a)(2), (f) and (g), notwithstanding that the Member may not have attained his/her Voluntary Retirement Age. In no case shall the Member's disability Retirement Allowance payable to his/her Voluntary Retirement Age be less than 15 percent of his/her Final Average Compensation; nor shall the Member's disability Retirement Allowance payable after his/her Voluntary Retirement Age be less than the sum of 15 percent of the first \$9,000.00 of his/her Final Average Compensation and 20 percent of the portion of his/her Final Average Compensation in excess of \$9,000.00. To the Member's Voluntary Retirement Age, his/her disability Retirement Allowance shall be subject to Section 30. Upon the Member's Retirement, he/she shall have the right to elect an option provided for in Section 21.

SECTION 26 NONUNION COST OF LIVING INCREASE

For nonunion employee-Members of the Retirement System (excluding PGH employees), the Retirement Allowance otherwise provided for any such Member who retires on or after July 1, 1980, shall be increased upon Retirement by an amount equal to two percent of the Retirement Allowance otherwise provided for under this Retirement System. Each year thereafter, such Member's Retirement Allowance shall be increased by an identical amount, such increases to be cumulative for a period of ten years. At the end of said ten-year period, the Member's initial Retirement Allowance shall have been increased by 20 percent and shall continue at that amount thereafter.

For 50th Judicial District Court Judges and nonunion employee-Members of the Retirement System, the Retirement Allowance otherwise provided for any such Member who retires on or after July 1, 1996, shall be increased upon Retirement by an amount equal to two percent of the Retirement Allowance otherwise provided for under this Retirement System. Each year thereafter such Member's Retirement Allowance shall be increased by an identical amount, such increases to be cumulative for a period of 18 years. At the end of said 18-year period, the Member's initial Retirement Allowance shall have been increased by 36 percent and shall continue at that amount thereafter.

SECTION 27 WORKERS COMPENSATION RE-CALCULATION

Upon termination of the statutory period for payment of Workers' Compensation, if any, arising on account of a Member's City employment, or at this attainment of age 65 years, whichever occurs first, a disability Retirant shall be given Service credit for the said statutory period and his/her disability Retirement Allowance shall be increased to include such additional Service

credit. In no case shall the Member's said increased Retirement Allowance payable to his/her attainment of age 65 years be less than his/her weekly Workers' Compensation benefits converted to an annual basis.

SECTION 28 DUTY DEATH

In the event (1) a Member dies as the result of a personal injury or disease arising solely and exclusively out of and in the course of his/her employment with the City, or (2) a disability Retirant, while in receipt of Workers' Compensation on account of his/her City employment, dies prior to his/her Voluntary Retirement Age as the result of the same injury or disease for which he/she was retired, and in either case (1) or (2) such death, injury or disease resulting in death be found by the Board to have been the result of his/her actual performance of duty in the Service of the City, the applicable benefits provided in subsections (a) through (e) of this section shall be paid subject to the condition that the beneficiaries eligible to Pensions apply for and are in receipt of Workers' Compensation on account of the death of the said Member or Retirant.

(a) In the case of a deceased Member, his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund shall be paid according to Section 31.

(b) The surviving spouse shall receive a Pension equal to his/her Workers' Compensation converted to an annual basis. Said surviving spouse's Pension shall begin upon termination of the statutory period for payment of Workers' Compensation and shall continue until death.

(c) The Member's unmarried child or children under age 18 years shall each receive a Pension equal to such child's Workers' Compensation converted to an annual basis. Said child's Pension shall begin upon termination of the statutory period for payment of the child's Workers' Compensation and shall continue until his/her adoption, marriage, attainment of age 18 years, or death, whichever occurs first. If a surviving spouse's Pension is terminated, each such child's Pension shall be increased by an equal share of said surviving spouse's Pension.

(d) The Member's parents shall each receive a Pension equal to such parent's Workers' Compensation converted to an annual basis. Said parent's Pension shall begin upon termination of the statutory period for payment of the parent's Workers' Compensation and shall continue until death.

(e) As used in this section, the term *surviving spouse* means the person to whom the said Member or Retirant, as the case may be, was married at the time said Member's or Retirant's employment with the City last terminated.

SECTION 29 SUBROGATION

If a person becomes entitled to a Pension payable from funds of the Retirement System as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to

the rights of the said person against said third party to the extent of benefits which the City pays or becomes liable to pay.

SECTION 30 DISABILITY RE-EXAMINATION AND INCOME VERIFICATION

(a) At least once each year during the first five years following the Retirement of a Member with a disability Retirement Allowance, and at least once in each three-year period thereafter, the Board may, and upon the Retirant's application shall, require any disability Retirant, who has not attained his/her Voluntary Retirement Age, to undergo a medical examination to be made by or under the direction of the Medical Director. Should any disability Retirant who has not attained his/her Voluntary Retirement Age refuse to submit to such medical examination in any such period, the Board may suspend payment of his/her disability Retirement Allowance until his/her withdrawal of such refusal. If such refusal continues for one year, all of his/her rights in and to a disability Pension shall be forfeited by the Member. If upon such medical examination of the Retirant the Medical Director reports to the Board that the said Retirant is physically able and capable of resuming employment with the City, the Member shall be returned to active Service in the employ of the City and his/her disability Retirement Allowance shall terminate; provided, the report of the Medical Director is concurred in by the Board. In returning the Retirant to active Service, as herein provided, reasonable latitude shall be allowed the City in placing the Member in a position commensurate to his/her type of work and rate of compensation at the time of his/her Retirement. The terms and conditions of disability Retirement are contained in applicable collective bargaining agreements.

(b) A disability Retirant who has been or shall be returned to active Service in the employ of the City, as provided in this section, shall again become a Member of the Retirement System and he/she shall contribute to the Retirement System at the rate applicable to his/her Membership classification. The Member's Credited Service at the time of his/her Retirement shall be restored to full force and effect. The Member shall be given Membership Service credit for the period he/she was receiving a disability Retirement Allowance provided for in this Retirement System if within said period the Member was in receipt of Workers' Compensation on account of total and permanent disability arising out of and in the course of his/her City employment; otherwise, the Member shall not be given Service credit for said period.

(c) If a disability Retirant who has not attained his/her Voluntary Retirement Age is or becomes engaged in a gainful occupation, business or employment, the amount of the disability Retirement Allowance shall be reduced by the amount that the disability Retirement Allowance plus the amount earned by the Retirant exceeds the disability Retirant's Final Compensation, or the compensation currently being paid to persons holding the same position as that last held by the disability Retirant, or, if there is no such position, the compensation currently paid to the person holding the most similar position as determined by the Board, whichever is higher. Should the Retirant's earnings or the compensation paid for his/her prior position subsequently change, his/her disability Retirement Allowance shall be correspondingly adjusted. The Board shall be authorized to adopt rules to provide for the implementation of this provision.

(d) If the Board – in consultation with the Medical Director – determines that it is unlikely that a disability Retirant will ever recover sufficiently enough to return to full-time employment with the City, the Board may deem the disability catastrophic. In cases where the Board has deemed a disability to be catastrophic, the Board may – in its discretion – approve to waive the periodic re-examinations and income verifications described in this section.

SECTION 31 REFUND OF ACCUMULATED CONTRIBUTIONS

(a) Should any Member cease to be an officer or employee of the City and not be entitled to a Pension payable from funds provided by the City, the Member shall be paid all of the Member's Accumulated Contributions standing to their credit in the Annuity Savings Fund as the Member shall demand in writing on forms furnished by the Board.

(b) Upon the death of a Member, his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund at the time of his/her death shall be paid, except as otherwise provided in this Retirement System, to such person or persons as the Member shall have nominated by written designation duly executed and filed with the Board. If there be no such designated person or persons surviving the said Member, his/her said Accumulated Contributions shall be paid to his/her legal representative.

(c) In the event any Member dies intestate, without heirs, and without having nominated a beneficiary as provided in subsection (b) of this section, his/her Accumulated Contributions standing to his/her credit in the Annuity Savings Fund, at the time of his/her death, may be used to pay his/her burial expense, not to exceed a reasonable sum to be determined by the Board; provided, that the deceased Member leaves no other estate sufficient for such purpose.

(d) Payments of refunds of Accumulated Contributions, as provided in this section, shall be made in a single sum.

SECTION 32 ANNUITY SAVINGS FUND—MEMBER CONTRIBUTIONS

(a) The Annuity Savings Fund is hereby created. It shall be the fund in which shall be accumulated, at Regular Interest, the contributions deducted from the Compensations of Members to provide for their Annuities, and from which shall be paid refunds of Accumulated Contributions, as provided in this Retirement System.

(b) Except as otherwise provided in this Section, Members are not required to contribute to the Retirement System.

(c) The officer or officers responsible for making up the payroll shall cause the contributions provided for in this section to be deducted from the Compensations of each Member on each and every payroll, for each and every payroll period, from the date of the Member's entrance in the Retirement System to the date of his/her Retirement or prior separation from City Service. The Member's contributions provided for herein shall be made, notwithstanding that the

minimum compensation provided by law for any Member shall be changed thereby. Every Member shall be deemed to consent and agree to the deductions made and provided for herein and payment of his/her Compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the Services rendered by said person during the period by such payment, except as to benefits provided by this Retirement System. The officer or officers responsible for making up the payroll shall certify to the Director of Finance the amount of contributions to be deducted from the Compensation of each Member for each and every payroll and each of said amounts shall be deducted by the Director of Finance and when deducted shall be paid to the Retirement System and shall be credited to the said Member's individual account in the Annuity Savings Fund.

(d) In addition to the contributions deducted from the Compensations of a Member, as hereinbefore provided, a Member shall deposit in the Annuity Savings Fund, by a single contribution or by an increased rate of contribution as approved by the Board, all amounts the Member may have previously withdrawn from, and not repaid to, the Annuity Savings Fund, together with Regular Interest computed from the date of withdrawal to the date of repayment. In no case shall any Member be given credit for Service rendered prior to the date he/she withdrew his/her Accumulated Contributions until he/she repays to the Annuity Savings Fund all amounts due the said fund by him.

(e) Upon Retirement of a Member, his/her Accumulated Contributions shall be transferred from the Annuity Savings Fund to the Retirement Reserve Fund. At the expiration of a period of three years from the date an employee ceases to be a Member, any balance standing to his/her credit in the Annuity Savings Fund, unclaimed by the Member or his/her legal representative, shall be transferred to the Pension Reserve Fund.

SECTION 33 RETIREMENT RESERVE FUND

The Retirement Reserve Fund is hereby created. It shall be the fund from which shall be paid all Annuities and Pensions payable as provided in this Retirement System. Should a disability Retirant return to active Service in the employ of the City, his/her Annuity reserve at that time shall be transferred from the Retirement Reserve Fund to the Annuity Savings Fund and shall be credited to his/her individual account therein; and the Member's Pension reserve at that time shall be transferred from the Retirement Reserve Fund to the Pension Reserve Fund.

SECTION 34 PENSION RESERVE FUND

The Pension Reserve Fund is hereby created. It shall be the fund in which shall be accumulated reserves for the payment of all Pensions payable from funds provided by the City. Upon the basis of such mortality and other experience tables, and Regular Interest, as the Board shall from time to time adopt, the actuary shall annually compute the Pension reserves (1) for Pensions being paid Retirants and Beneficiaries, and (2) covering Service rendered and to be rendered by Members. The Pension reserves shall be financed by annual appropriations, to be made by the Council, determined according to subsections (a), (b) and (c) of this section.

(a) The appropriation for Members' current Service shall be a percent of their annual Compensations which will produce an amount which if paid annually by the City during their future Service will be sufficient to provide the reserves, at the time of their Retirements, for the portions of the Pensions to be paid them based upon their future Service; and

(b) The appropriation for Members' accrued Service shall be a percent of their annual Compensations which will produce an amount which if paid annually by the City over a period of years, to be determined by the Board, will amortize, at Regular Interest, the unfunded Pension reserves for the accrued Service portions of the Pensions to which they may be entitled; and

(c) The appropriation for Pensions being paid to Retirants and Beneficiaries shall be a percent of the annual Compensations of Members which will produce an amount which if paid annually by the City over a period of years, to be determined by the Board, will amortize, at Regular Interest, the unfunded Pension reserves for Pensions being paid to Retirants and Beneficiaries;

(d) In the event the amounts appropriated in the budget in any year are insufficient to pay in full the amounts due in said year to all Members of the Retirement System, the amount of such insufficiency shall thereupon be provided by the appropriating authorities of the City;

(e) Contributions to the Retirement System by the City to the extent necessary to provide payment of Pensions and other benefits to Retirants and Beneficiaries of and Members employed by an instrumentality of the City shall be made from the revenues of the said instrumentality of the City;

(f) Upon the Retirement of a Member, or at the time a Pension becomes payable to a Beneficiary on account of the death of a Member, the reserve for such Pension shall be transferred from the Pension Reserve Fund to the Retirement Reserve Fund. The Board may from time to time transfer from the Pension Reserve Fund to the Retirement Reserve Fund such additional amounts as it determines to be necessary for the proper maintenance of the Retirement Reserve Fund.

SECTION 35 EXPENSE RESERVE

Amounts contributed by the Retirement System for administrative expense shall be credited to this reserve. All expenses for the administration of the Retirement System shall be charged to this reserve. The Board shall certify to the City annually the amount of its requirements for administrative expenses.

SECTION 36 MANAGEMENT OF FUNDS

(a) The Board shall be the Trustees of the funds of the Retirement System and shall have full power to invest and reinvest such funds subject to all terms, conditions, limitations,

and restrictions imposed by the law of the State of Michigan in the making and disposing of their investments. The Board shall have the power to purchase notes, bonds, or other obligations of the City before or after the same are offered to the public and with or without advertising for bids.

(b) The Board shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds of the Retirement System have been invested, as well as the proceeds of said investments and any moneys belonging to the Retirement System. There shall be kept on deposit available cash not exceeding ten percent of the total assets of the Retirement System. All funds of the Retirement System shall be held for the sole purpose of meeting disbursements for Pensions, Annuities, and other payments authorized by the provisions of this Retirement System, and shall be used for no other purpose.

(c) The description of the various funds of the Retirement System in Sections 32 through 35 shall be interpreted to refer to the accounting records of the Retirement System and not to the segregation of moneys in the funds of the Retirement System.

SECTION 37 EARNINGS ALLOCATION—INTEREST CREDITABLE

All interest and other earnings on moneys and investments of the Retirement System shall be credited to the Pension Reserve Fund. The Board shall, at the end of each calendar year, allow Regular Interest on the Members' individual balances in the Annuity Savings Fund at the beginning of the calendar year. The Board shall, at the end of each fiscal year, allow Regular Interest on the mean assets credited to the Retirement Reserve Fund. The amounts of interest so credited to the Annuity Savings Fund and the Retirement Reserve Fund shall be charged to the Pension Reserve Fund.

SECTION 38 ASSIGNMENTS PROHIBITED

The right of a person to an Annuity, a Pension, a Retirement Allowance, to the return of Accumulated Contributions, the Annuity, the Pension, or the Retirement Allowance itself, any optional benefit, any other right accrued or accruing to any Member, Retirant, or Beneficiary under the provisions of this Retirement System, and the moneys belonging to the Retirement System shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, and shall be unassignable, except as is specifically provided in this Retirement System and in accordance with Public Act 100 of 2002, as amended; provided, that the City shall have the right of set-off for any claim arising from embezzlement or fraud by a Member.

SECTION 39 CORRECTION OF ERRORS

Should any change in the records result in any Member, Retirant, or Beneficiary receiving from the Retirement System more or less than he/she would have been entitled to receive had the records

been correct, the Board shall correct such error, and as far as practicable shall adjust the payment in such manner that the Actuarial Equivalent of the benefit to which the said Member, Retirant, or Beneficiary was correctly entitled shall be paid.

SECTION 40 NONIMPAIRMENT OF FINANCIAL BENEFITS

Any and all provisions of this Retirement System may, from time to time, be modified, changed, or terminated by ordinance duly adopted by the Council. The Council shall consult with the Board and seek its technical review of the proposed changes prior to amendment or termination of the Retirement System. The accrued financial benefits of this Retirement System shall not be diminished or impaired by such modifications or changes and subject to the conditions of Public Act 728 of 2002, as amended. All provisions of City laws inconsistent with the provisions of this Retirement System are hereby repealed to the extent of such inconsistency.

Prior to the satisfaction of all liabilities to Members and their Beneficiaries under this Retirement System, the City shall have no right, title or interest in any money or investments held or acquired under the Retirement System by the Trustees, nor will any such money or investments at any time revert to the City or in anyway, directly or indirectly, inure to its benefit; except if a contribution made by the City in any Plan Year is made by mistake of fact (as determined under applicable provisions of the IRC and corresponding guidance), then such contribution must be returned to the City within one year of payment of the contribution upon demand by the City. Upon termination of the Retirement System, any assets remaining in the Retirement System after all liabilities of the Retirement System have been satisfied shall be returned to the City and shall be presumed to be as a result of actuarial error.

SECTION 41 SAVINGS CLAUSE

If any provision, section, subsection, paragraph, sentence, clause, or phrase of this Retirement System is for any reason found to be invalid or inoperative, or shall be held by any court to be unconstitutional, the remainder of the provisions of this Retirement System shall nevertheless continue in full force and effect.

SECTION 42 NORTH OAKLAND MEDICAL CENTER PRIVATIZED

This section is effective January 1, 1994, and is applicable only to persons who, on December 31, 1993, were simultaneously (1) members of the GERS and (2) employees of the City owned North Oakland Medical Center and who became employees of the privatized North Oakland Medical Center on January 1, 1994. With respect to the persons identified in this section:

(a) Such persons who are vested shall receive benefits from the Retirement System based upon Final Average Compensation as defined by the highest average Annual Compensation received by a Member during a period of three consecutive years of Service contained within the ten years immediately preceding the privatization of North Oakland Medical Center (January 1,

1994). If the Member has less than three years of Credited Service, Final Average Compensation shall be the average of the Member's Annual Compensation received during the Member's total years of Credited Service. The definition of *Final Average Compensation* in Section 2 is superseded for this limited purpose for this limited group of former Members of the Retirement System who remain vested.

(b) Such persons with vested benefits shall receive from the Retirement System benefits with the Section 17(b) 1.5 percent factor being changed to a 2.0 percent factor. Section 17(b) is superseded for this limited purpose for this limited group of former Members of the Retirement System who remain vested.

(c) Such persons with vested benefits shall receive from the Retirement System benefits pursuant to the definition of *Voluntary Retirement Age* in Section 2, which is amended to provide that:

Voluntary Retirement Age is defined as age 55 with, for eligibility purposes only, 25 or more years of Credited Service with either the previously (prior to January 1, 1994) City owned North Oakland Medical Center or the privatized North Oakland Medical Center (or a combination thereof). The definition of *Voluntary Retirement Age* in Section 2 is superseded for this limited purpose for this limited group of former Members of the Retirement System who remain vested. Calculation of benefit amounts shall only include Service credit as an employee of the City owned North Oakland Medical Center.

(d) The City of Pontiac, employer-sponsor with respect to the majority of Members of the Retirement System, to the extent funds do not exist in the Retirement System to provide the Retirement System benefits for retired employees and beneficiaries of the North Oakland Medical Center, will provide funding in compliance with Article IX, Section 24 of the State of Michigan Constitution, the Retirement System provisions, and other applicable law.

SECTION 43 INTERNAL REVENUE CODE QUALIFICATIONS

(a) The Retirement System is intended and shall be administered to be a qualified pension plan under IRC section 401, or successor provisions of law, and other applicable laws, regulations and administrative authority. The Retirement System is a governmental plan under IRC section 414(d) and is administered for the exclusive benefit of the Members and their Beneficiaries. The Retirement System trust is an exempt organization under IRC section 501. The Board may adopt such additional provisions to the Retirement System as are necessary to fulfill this intent which are incorporated by reference into this section.

(b) Notwithstanding any provision of the Retirement System to the contrary, benefits and contributions shall be limited in accordance with section 415 of the Internal Revenue Code, which is hereby incorporated by reference.

For purposes of section 415 of the Internal Revenue Code, compensation shall mean compensation actually paid during the limitation year and the limitation year shall be the

Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Retirement System.

For purposes of adjusting any benefit or limitation under section 415 of the Internal Revenue Code, the mortality table used shall be the table prescribed by the United States Secretary of the Treasury in accordance with section 415(b)(2)(E)(v) of the Internal Revenue Code.

For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described herein, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Member by reason of section 132(f)(4) of the Internal Revenue Code.

For limitation years beginning after December 31, 1997, for purposes of applying the limitations of section 415 of the Internal Revenue Code, compensation paid or made available during such limitation years shall include any elective deferral (as defined in section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the employee and which is not includable in the gross income of the employee.

Compensation for purposes of IRC §415(c)(3) shall also include, (1) regular pay after severance from employment; (2) leave cashouts and deferred compensation including cash out of accrued sick, vacation or other leave time if the employee would have been able to use the leave if employment had continued or the payment of nonqualified deferred compensation that would have been paid to the employee at the same time if the employee had remained employed and only to the extent that the payment is includable in the employee's gross income. The compensation items listed in this paragraph must be paid by the later of two and one-half-months of severance from employment or the end of the limitation year that includes the date of severance with the City.

(c) Eligible Rollover Distributions. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Retirement System to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee as a direct rollover. The following definitions shall apply with regard to this section:

(1) *Eligible Rollover Distribution.* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint life (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more, and any distribution to the extent such distribution is required under IRC section 401(a)(9). For purposes of the direct rollover provision, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual

retirement account or annuity described in IRC section 408(a) or (b), or to a qualified plan described in IRC section 401(a) or 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) *Eligible Retirement Plan.* An eligible retirement plan is an individual retirement account described in IRC section 408(a), an individual retirement annuity described in IRC section 408(a), an annuity plan described in IRC section 403(a), an annuity contract described in IRC section 403(b) or an eligible plan under IRC section 457 which is maintained by a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan or a qualified trust described in IRC section 401(a) that accepts the distributee's eligible rollover distribution. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee under a domestic relations order.

(3) *Distributee.* A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under an eligible domestic relations order (as defined in Act 46 of 1991 of the State of Michigan) or qualified domestic relations order (as defined in Code section 414(p)), as applicable, are "distributees" with regard to the interest of the spouse or former spouse. A distributee also includes an eligible designated non-spouse beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code section 402(c)(11). Also in this case, the determination of any required minimum distribution under Code section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(4) *Direct Rollover.* A *direct rollover* is a payment by the Retirement System to the eligible retirement plan specified by the distributee.

(d) Upon termination of the Retirement System or upon complete discontinuance of contributions under the Retirement System, the rights of all Members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

SECTION 44 IRS MINIMUM DISTRIBUTION

(a) Distributions from the Retirement System will comply with the requirements of IRC section 401(a)(9) and the regulations thereunder. A Member's interest in the Retirement System must begin to be distributed by the later of (1) April 1 of the calendar year following the calendar year that the Member attains the age of 70.5, or (2) April 1 of the calendar year the Member retires. With respect to distributions under the Retirement System made for calendar years beginning on or after January 1, 2001, the Retirement System will apply the minimum distribution requirements of IRC section 401(a)(9) in accordance with the regulations under IRC section 401(a)(9) that were proposed in January 2001, notwithstanding any provision in the Retirement

System to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

(1) *Effective Date.* Unless an earlier effective date is specified in the Retirement System, the provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(2) *Coordination with Minimum Distribution Requirements Previously in Effect.* If the Retirement System specifies an effective date of this section earlier than calendar years beginning with the 2003 calendar year, required minimum distributions for 2002 under this section will be determined as follows: If the total amount of 2002 required minimum distributions under the Retirement System made to the distributee prior to the effective date of this section equals or exceeds the required minimum distributions determined under this section, then no additional distributions will be required to be made for 2002 on or after such date to the distributee. If the total amount of 2002 required minimum distributions under the Retirement System made to the distributee prior to the effective date of this section is less than the amount determined under this section, then required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to the distributee will be the amount determined under this section.

(3) *Precedence.* The requirements of this section will take precedence over any inconsistent provisions of the Retirement System.

(4) *Requirements of Treasury Regulations Incorporated.* All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

(5) *TEFRA Section 242(b)(2) Elections.* Notwithstanding the other provisions of this section, other than subsection (a)(4) of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Retirement System that relate to section 242(b)(2) of TEFRA.

(b) Time and Manner of Distribution.

(1) *Required Beginning Date.* The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date.

(2) *Death of Member before Distributions Begin.* If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Member's surviving spouse is the Member's sole designated beneficiary, then, except as provided in the Retirement System, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year

in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70.5, if later.

(ii) If the Member's surviving spouse is not the Member's sole designated beneficiary, then, except as provided in the Retirement System, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(iv) If the Member's surviving spouse is the Member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this subsection (b) will apply as if the surviving spouse were the Member.

For purposes of subsections (b)(2) and (iv) of this section, distributions are considered to begin on the Member's required beginning date (or, if subsection (b)(2)(iv) of this section applies, the date distributions are required to begin to the surviving spouse under subsection (b)(2)(i) of this section). If annuity payments irrevocably commence to the Member before the Member's required beginning date (or to the Member's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(2)(i) of this section), the date distributions are considered to begin is the date distributions actually commence.

(3) *Form of Distribution.* Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with subsections (c) and (d) of this section. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest which is in the form of an individual account described in IRC section 414(k) of the will be distributed in a manner satisfying the requirements of IRC section 401(a)(9) of the and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to Be Distributed Each Year.

(1) *General Annuity Requirements.* If the Member's interest is paid in the form of annuity distributions under the Retirement System, payments under the annuity will satisfy the following requirements:

(i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsection (d) of this section;

(iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted.

(2) *Amount Required to Be Distributed by Required Beginning Date.* The amount that must be distributed on or before the Member's required beginning date (or, if the Member dies before distributions begin, the date distributions are required to begin under subsection (b)(2)(i) or (ii) of this section) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's required beginning date.

(3) *Additional Accruals after First Distribution Calendar Year.* Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements for Minimum Distributions Where Member Dies before Date Distributions Begin.

(1) *Joint Life Annuities Where the Beneficiary Is Not the Member's Spouse.* If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a nonspouse beneficiary, annuity payments to be made on or after the Member's required beginning date to the designated beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(2) *Member Survived by Designated Beneficiary.* If the Member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in subsection (b)(2)(a) or (b) of this section, over the life of the designated beneficiary or over a period certain not exceeding:

(a) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or

(b) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(3) *No Designated Beneficiary.* If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(4) *Death of Surviving Spouse before Distributions to Surviving Spouse Begin.* If the Member dies before the date distribution of his or her interest begins, the Member's surviving spouse is the Member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this subsection (d) will apply as if the surviving spouse were the Member, except that the time by which distributions must begin will be determined without regard to subsection (b)(2)(i) of this section.

(e) Definitions.

(1) *Designated beneficiary* means the individual who is designated as the beneficiary under Section 2 of the Retirement System and is the designated beneficiary under IRC section 401(a)(9) and section 1.401(a)(9)-4 of the Treasury regulations.

(2) *Distribution calendar year* means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to subsection (b)(2) of this section.

(3) *Life expectancy* means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

(4) *Required beginning date* means the date specified in subsection (a) of this section.

SECTION 45 DEFINED CONTRIBUTION PLAN

Effective July 1, 2002, all nonunion management employee hired by the City as of January 1, 2002, and elected officials in office as of January 1, 2002, will have the option of either becoming a member of the GERS or they may elect to participate in a defined contribution plan or other portable plan as designated by the City. The defined contribution plan shall be made available to nonunion management employee and elected officials of the City and said contribution rate shall be as follows: three percent of the employee's base salary shall be contributed by the employee and nine percent shall be contributed by the City.

The Departments of Finance and Human Resources shall be responsible for establishing guidelines and procedures for implementing and administering the defined contribution plan. Employees and elected officials who elect to participate in the defined contribution plan and who complete at least ten years of Credited Service, prior to or after July 1, 2002, will be eligible for health care benefits as specified in Section 18.

**SECTION 46
DENIAL OF BENEFIT CLAIM—APPEAL**

A benefit claimant shall be notified in writing within 30 days of the Board's denial of a claim for benefits. The notification shall contain the basis for the denial. The benefit claimant may appeal the denial and request a hearing before the Board. The appeal shall be in writing and filed with the Retirement System within 60 days of the date of the notification of denial. The request for appeal shall contain a statement of the claimant's reasons for believing the denial to be improper. The Board shall schedule a hearing of the appeal within 60 days of receipt of the request to appeal.

**SECTION 47
EFFECTIVE PROVISIONS**

A Member shall be entitled to those benefits based upon the terms and conditions in effect at the time of separation from employment.

**SECTION 48
MANDATORY BARGAINING SUBJECTS**

Notwithstanding any other provisions of this Retirement System, any matter relating to the Retirement System applicable to current employees represented by a collective bargaining agent is a mandatory subject of bargaining under the Public Employment Relations Act, Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.216 of the Michigan Compiled Laws.

**SECTION 49
RECIPROCAL RETIREMENT SYSTEM**

The Retirement System is a reciprocal retirement system under the provisions of Act 88, Public Acts of 1961 of the State of Michigan, as amended. This section does not indicate adoption of section 6 of Act 88 of 1961, as amended (MCL 38.1106).

**SECTION 50
FRAUD PENALTY**

Whoever with intent to deceive shall make any statement or report under this Retirement System which is untrue, or shall falsify or permit to be falsified any record or records of the Retirement System, or who shall otherwise violate the provisions of this Retirement System as it may from time to time be amended, with intent to deceive, shall be guilty of a misdemeanor and upon conviction shall be fined not to exceed \$500.00 plus costs of

prosecution, or shall be imprisoned for not to exceed 90 days, or both, in the discretion of the court.

Section 2. Severability.

If any section, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause or provision declared to be unconstitutional, void or illegal shall thereby cease to be a part of this Ordinance, but the remainder of the Ordinance shall stand and be in full force and effect.

Section 3. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 4. Publication.

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 5. Effective Date.

This Ordinance shall be effective April 1, 2021.

I hereby certify that the foregoing is a true copy of the Ordinance as passed by the City Council of the City of Pontiac at a regular Council Meeting held electronically in said City on the _____ day of _____, 2021.

Garland S. Doyle, Interim City Clerk

37093629.1/071371.00075
01/20/21

#4

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Information Technology

TO: Honorable City Council President Williams and City Council Members

FROM: Mayor Deirdre Waterman
Information Technology Department

DATE: January 6, 2021

RE: **Resolution to approve the purchase of Ring Central System**

The purpose of this memorandum is to formally request the approval to purchase Ring Central system and associated costs including a one-time professional service fee.

As you are aware during the special presentation on November 5, 2020, the current phone system ShoreTel is at its capacity and is no longer expandable to meet the City of Pontiac telecommunication needs.

For your information, a copy of the proposal from Ring Central and the November 5, 2020, presentation is attached for your review and consideration.

BACKGROUND

Problem:

1. Aging ShoreTel phone system has reached capacity and can no longer be expanded
2. New phone features that have been developed over the last nine years are not available with current system
3. Having the District Courthouse on the existing system requires a costly connection
4. Remote sites are not able to use the City phone system

Solution:

1. Replace on-premises ShoreTel phone system with the cloud-based Ring Central system
2. Replace costly connection with the courthouse with an independent internet connection
3. Install independent firewall at courthouse for site to site communications with city hall

Costs:

1. One-time professional services implementation cost \$7,350.00
2. One-time phone hardware cost \$15,573.16
3. Three year (36 Month) monthly cost for 143 Standard Licenses \$2,749.48 (\$32,993.76/year)

Advantages of new phone system:

1. Cloud-based system has no hardware to maintain and update
2. Ring Central has an industry leading 99.999% uptime
3. Phone numbers are portable and can be used on mobile devices.
4. Expensive dedicated connection to the courthouse will no longer be needed

Savings

Total AT&T savings will be \$27,000.00 /year.

RESOLUTION

Whereas, The City of Pontiac currently uses a phone system that is nearly a decade old and can no longer be expanded to meet the growing needs of the City; and

Whereas, The City can utilize a cloud-based Ring Central system that will result in a savings to the City; and

Whereas, the costs will be a one-time professional services cost of \$7,350, a one-time hardware cost of \$15,573.16, and a 3-year operating agreement for 143 licenses at a total cost of \$32,993.76 per year; and

Whereas, this represents a savings of approximately \$27,000 in services fees from the current system as provided by AT&T;

Now, Therefore, hereby be it resolved that the Pontiac City Council approves the purchase of the Ring Central system and associated costs including a one-time professional services cost of \$7,350, a one-time hardware cost of \$15,573.16, and a 3-year operating agreement for 143 licenses at a total cost of \$32,993.76 per year; and authorizes the Mayor to enter into the agreements to complete this transaction.

Attachments



INITIAL ORDER FORM - OFFICE SERVICES

This Initial Order Form is a binding agreement between RingCentral, Inc. (“RingCentral”) and City of Pontiac, (“Customer” or “You”) (together the “Parties”), for the purchase of the Services, licenses, and products listed herein. This Initial Order Form is subject to the terms and conditions specified in the applicable Agreement between the Parties. Capitalized terms not defined herein shall have the same meanings as set forth in the applicable Agreement between the Parties.

Service Provider	
Service Provider	RingCentral, Inc.
Address	20 Davis Drive
City, State & Zip Code	Belmont, CA 94002
Country	USA

Customer	
Customer	City of Pontiac
Address	47450 Woodward Ave
City, State & Zip Code	Pontiac, MICHIGAN 48342
Country	United States
Billing Contact Person	
Billing Contact Phone	
Billing Contact E-mail Address	

Service Commitment Period	
Start Date	December 8 th , 2020
Initial Term	36 Months
Renewal Term	36 Months

RingCentral™

Payment Schedule	Monthly Payment Schedule
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RingCentral Office Services					
Summary of All Services					
Summary of Service	Charge Term	Qty	Rate	Monthly Subtotal	One-time Subtotal
Additional Toll-Free Number	Monthly	1	\$0.99	\$0.99	\$0.00
DigitalLine Unlimited Standard	Monthly	143	\$13.49	\$1,929.07	\$0.00
e911 Service Fee	Monthly	147	\$1.00	\$147.00	\$0.00
Compliance and Administrative Cost Recovery Fee	Monthly	147	\$3.50	\$514.50	\$0.00
DigitalLine Basic	Monthly	4	\$9.99	\$39.96	\$0.00
RingCentral Video	Monthly	1	\$0.00	\$0.00	\$0.00
Polycom Trio 8500 Conference Phone	One - Time	4	\$899.00	\$0.00	\$3,596.00
Polycom VVX-250 Business IP Phone	One - Time	121	\$63.96	\$0.00	\$7,739.16
Polycom VVX-450 Business IP Phone with 1 Expansion Module	One - Time	8	\$409.00	\$0.00	\$3,272.00
Polycom OBi302 ATA	One - Time	14	\$69.00	\$0.00	\$966.00
RingCentral for Desktop	One - Time	14	\$0.00	\$0.00	\$0.00
New Service Amount *				\$2,631.52	\$15,573.16
Total Initial Amount *				\$18,204.68	

* Amounts are exclusive of applicable Taxes and Fees.

RingCentral™

Special Terms and Notes:

1) Customer's subscription entitles it to all features that are ascribed to the Office [Standard] Edition as they are described in the RingCentral website, as well as the features that follow:

a) Single Sign-On

b) Custom Roles & Permissions

c) Multi-Site Support

2) As a one-time incentive, RingCentral shall provide Customer with up to 121 Polycom VVX250 devices at a discounted price of \$63.96 each. Thereafter, Customer may purchase additional Polycom VVX250 devices at the discounted price of \$109.00 each, excluding taxes and fees. This incentive offer is subject to the Order Form and the terms of the Agreement.

RingCentral

Cost Center Billing:

For customers with cost center billing, it is the customer's responsibility to provide cost center allocation information to RingCentral at least 10 days prior to the issuance of the invoice. After the information is received, it will be reflected on future invoices, but will not be adjusted retroactively on past invoices. If purchasing additional services through the administrative portal, it is the customer's responsibility to assign cost centers at the time of purchase; otherwise, those services will not be allocated by cost center on the next invoice. Please note that cost center allocation is not available for certain items, such as minute bundles and credit memos. For additional questions, please contact the RingCentral invoice billing team at billingsupport@ringcentral.com.

IN WITNESS WHEREOF, the Parties have executed this Initial Order Form above through their duly authorized representatives.

Customer

City of Pontiac

By: _____

Name: _____

Title: _____

Date: _____

RingCentral

RingCentral, Inc.

By: Carson Hostetter

Name: Carson Hostetter

Title: SVP, Field Sales

Date: _____

RingCentral Professional Services

Statement of Work for Implementation Services

This RingCentral Professional Services Statement of Work for Professional Services (this "**SOW**") is executed by RingCentral, Inc. ("**RingCentral**"), and City of Pontiac (the "**Customer**") pursuant to, and is subject to, the RingCentral PS Agreement executed by Customer and RingCentral on or about _____, ____ (the "**PS Agreement**"). Capitalized terms used in this SOW but not otherwise defined shall have the respective meanings given to them in the PS Agreement.

Customer:	City of Pontiac
Quote/SOW Number:	U2020-01809396
Labor Cost:	\$7,350.00 USD

Project Phases:

- **Multiphase Project. - Per Site**

	Scope of the Phase	Value	Completion Criteria
Phase	Each Site listed in the Appendix B of this SOW constitute an independent Project Phase	Rate of \$7,350 allocated by Site per Appendix B (Excluding Taxes and Expenses if applicable (Actuals)).	Completion of all Professional Services described in this SOW for each Site.

The following activities shall be performed in accordance with this Statement of Work and the PS Agreement at the location(s) and for the number of Users and Sites indicated in the attached Appendices:

1. **General**

1.1. Assignment of a designated Project Manager ("PM") – The RingCentral PM will act as Single Point of Contact for delivery services, following the Project Management Institute (PMI) standard methodology. The RingCentral Project Manager will be responsible for the following activities in connection with this Statement of Work (SOW):

- Internal and external kickoff session hosted by RingCentral;
- Creation and management of project governance, to include:
 - Project plan and Schedule;
 - Communication plan, resource plan, escalation plan, change plan, test plan;
 - Action and risk register;
- Completing resource assignment and scheduling in alignment with project schedule;
- Set up of project documentation and timelines in collaboration with designated Customer Single Point of Contact;

- v. Identifying, communicating and mitigating project risks and issues;
- vi. Alignment of scope of services with customer expectations during kickoff;
- vii. Developing, reviewing, authorizing, implementing, and managing change requests and interventions (Perform Change Management) to achieve project outputs;
- viii. Facilitating and leading regular status update meetings, organize planning sessions and Customer steering committees, as applicable;
- ix. Completing scoped migration and go live support; and
- x. Performing closure procedures at the conclusion of project activities.

2. RingCentral Office Planning and Design

2.1. RingCentral Planning and Design (“P&D”) and Business Requirements Document (“BRD”)

RingCentral will initiate the Planning and Design process and introduce the Business Requirements Document to the Customer at the beginning of the project and will consist of structured planning activities for a period of up to two (2) weeks. This process will define and capture the project-wide deployment holistically including all sites and users listed in Appendix A.

- i. RingCentral has included up to two (2) design documentation collection session(s) with this project delivery
- ii. All groups will provide data during their assigned data collection process over a one (1) week period for a total of two (2) supported weeks and contribute to a universal design documentation across all lines of business / business units
- iii. Additional data collections are available to the customer for further breakout via change request at an additional expense if data collection needs to take place by country or user group
- iv. Details within the data collection include:
 - a. Customer Site Information;
 - b. User Upload;
 - c. Data collection for End-User and Administrator Training;
 - d. Porting data;
 - e. Call flow(s);
 - f. Roles and Permissions;
 - g. Delivery Overview;
 - h. Go-Live Readiness Report Card;
- ii. The fully reviewed BRD is signed off by Customer’s Project Manager and RingCentral’s Project Manager prior to moving to deployment.
 - a. Material changes to the BRD made after mutual execution are available to the customer via change request
- iii. Delay in completing and returning Customer documentation may result in an adjustment of project timeline and additional fees.

2.2 Network Readiness Assessment – RingCentral will provide the Customer with one (1) assessment of the customer’s primary Internet Service Provider (ISP) connection to and from RingCentral. This connection will be at the customer’s firewall (edge).

- i. RingCentral’s Network Engineer will provide the following:
 - a. RingCentral Network Requirements Documentation;
 - b. Satellite installation guide;
 - c. Assistance with satellite installation;
 - d. Document and share results of network assessment for customer reference;
- ii. Site assessments not completed prior to Go-Live will result in the forfeiture of the assessment for this project.

- iii. Additional network assessments or consultations are available to the customer via an executed Change Order and will result in additional fees. This may include additional ISP links or sites.

3. RingCentral Office Build

3.1. RingCentral Basic User Interface (“UI”) Single Phased Build Out

- i. RingCentral will remotely configure the following interfaces in the system (“UI Build Out”) based on the specifications agreed to between the parties in the BRD.
 - a. Up to three (3) locations
 - b. Up to nine (9) Unique Call Flows
 - c. Up to fourteen (14) Call Queue and Ring Groups
 - d. Up to two (2) Custom Roles
 - Service plan must support Custom Roles
 - e. Up to two (2) Templates
- ii. Customization is available to the customer at an additional cost via executed Change Order
- iii. Substitute Caller ID (Spoofing) configuration is not included. It is available at an additional cost via executed Change Order.

4. RingCentral Delivery Services

4.1. Remote Delivery and Go Live Services

- i. RingCentral will provide remote go live services to complete the following:
 - a. Delivery resource during remote Go Live as defined in Appendix B;
 - b. Document open issues in action log;
 - c. Transition into support services;
 - d. Perform closure procedures at the conclusion of project activities
- ii. Customer responsibilities:
 - a. Customer is responsible for handset placement at locations listed in Appendix B
 - RingCentral to provide instructions and best practices for handset placement, test, and endpoint registration
 - b. Customer is responsible for decommission and disposal of any legacy equipment

5. RingCentral Training Services

5.1. Admin Training – RingCentral Professional Services will provide resources to complete the following:

- i. Up to two (2) hours of remote admin training to be provided by a RingCentral University Training Specialist
- ii. Sessions cover the following:
 - a. Building, activating, disabling and deleting users;
 - b. Managing user settings with role, templates, and User groups (if applicable);
 - c. Managing system setup and maintenance via the Admin Portal including phone company info, caller ID, and directory assistance;
 - d. Managing phones and numbers including assisted provisioning;
 - e. Call flow management;
 - f. Reports and call logs; and
 - g. Familiarization with Support/Training/Help resources
- iii. Session recordings are included at no additional cost
- iv. Online, self-service admin training at RingCentral University included at no additional cost
 - h. Webinars & Videos, Getting Started Tutorials, and User Guides

- v. Custom admin training, documentation, and videos available at an additional cost via executed Change Order
- vi. Additional admin sessions are available to the customer via Change Request at an additional charge
- vii. Helpdesk training sessions are available to the customer at an additional cost via executed Change Order
- viii. Customer and RingCentral agree that Professional Services Project Completion Form shall not be withheld by Customer for delays in the delivery of the RingCentral training services

5.2. End User Training - RingCentral Professional Services will provide resources to complete the following:

- i. Any combination of the following one (1) hour remote end user training sessions for a total of up to two (2) sessions to be provided by RingCentral University Training Specialist:
 - a. Standard End User
 - b. Train the Trainer (Standard End User)
 - c. Exec Assistant/Front Desk
 - d. Remote User
- ii. Session recordings included at no additional cost
- iii. Online, self-service end user training at RingCentral University included at no additional cost
 - a. Webinars & Videos, Getting Started Tutorials, and User Guides
- iv. Custom end user training, documentation, and videos available at an additional cost via change request
- v. Additional end user sessions are available to the customer via Change Request at an additional charge
- vi. Customer and RingCentral agree that Professional Services Project Completion Form shall not be withheld by Customer for delays in the delivery of the RingCentral training services

6. Handoff Testing

6.1. System Integration Testing (SIT)

- i. RingCentral will complete System Integration Testing (SIT) following final configuration of RingCentral prior to handoff to the Customer to start User Acceptance Testing (UAT);

6.2. UAT Assumptions

- i. During UAT, the Customer will designate users to complete application testing in mock real-world scenarios to validate the RingCentral build matches the agreed design documentation;
- ii. Customer will define the UAT scenarios or stories by phase and the mutually agreed criteria is recorded as an Appendix in the design documentation prior to mutual execution as the document of record;
 - a. If UAT scenarios are not specified by the Customer, then work is deemed accepted and ready for go live upon notice from RingCentral that the work is complete and ready for testing;
- iii. Customer resources participating in UAT must complete all pre-recorded online training sessions for agent, supervisor, and/or admin related to their job role prior to starting UAT;
 - a. RingCentral Implementation Engineer may provide up to one (1) hour of additional guided training to UAT participants, as requested by the Customer, specific to the test criteria;
- iv. The outcome of all UAT scenarios are documented by the Customer in a written format and provided to RingCentral at completion of testing;

- a. Any variation in expected results (errors, flaws, failures, adjustments) are provided in writing to the RingCentral Project Manager for review and resolution;
- b. RingCentral will provide an expected variation resolution date and submit back to the Customer for additional testing;
- v. Upon completion of all UAT scenarios, the Customer will submit final written completion of testing to RingCentral prior to scheduling go live;
 - a. RingCentral will append the design document output to include completed UAT criteria in the final published output document;

6.3. UAT Constraints

- i. The Customer and RingCentral will enact a mutual software / code freeze prior to start of SIT and UAT;
- ii. Customer shall perform UAT within seven (7) calendar days of application handoff from RingCentral for any Deliverables, unless otherwise mutually agreed by the parties considering the nature or scope of the Deliverable in writing prior to start of testing;
- iii. Any Customer changes in software or code following written UAT completion resulting in new application behaviors may result in additional charges to the Customer via Change Request for troubleshooting and issue resolution;
- iv. Additional days of UAT support are available to the Customer via Change Request at an additional charge

6.4. Project and Phase Acceptance

- i. Final phase and project acceptance subject to terms and conditions in RingCentral MSA

7. Hours of Operation

7.1. Standard Service Hours

- i. Unless otherwise specified, pricing assumes that Services will be performed between 8:00 AM to 5:00 PM local site time, Monday-Friday, excluding holidays ("Standard Service Hours")
- ii. Work requested and performed outside Standard Services Hours will be subject to overtime charges via executed Change Order

8. Customer Responsibilities – The Customer is responsible for aspects not specifically included in this Statement of Work. Out of scope items include:

- i. The customers LAN/WAN infrastructure;
- ii. Network minimum requirements for RingCentral as a Service model;
 - a. Quality of Service (QoS) configuration;
 - b. Firewall or Access Control List (ACL) configuration;
 - c. Power over Ethernet (POE) port activation / configuration;
- iii. Configuration and software installation on customer PCs;
- iv. Decommission and disposal of any legacy equipment;
- v. Customizations on individual User endpoints, or phone settings (as defined in section 3.1.v);
- vi. Provide work space for RingCentral on-site personnel (as scoped);
- vii. Overhead paging;
- viii. Postage Machines;
- ix. Credit Card or Point of Sale (POS) Machines;
- x. Door buzzer or Automatic Door Controller;
- xi. Third party SIP phones;
- xii. Headsets;

- xiii. Analog Devices
- xiv. Third party Applications
- xv. Input Registered E911 Address and location information to Service Web
 - a. This is critical information which is used by first responders in case of an emergency hence customer must ensure that the information they are adding to the Service Web is accurate
 - b. For more information, please refer to Appendix D

9. Customer's Telephone Number Porting –The Customer is responsible for authorizing the telephone number porting by RingCentral. RingCentral shall provide guidance on porting data collection and shall assist with submission of porting request(s). This effort pertains to those locations identified in Appendix B. Customer and RingCentral agree that RingCentral is not responsible for the portability of any individual number or group of numbers and the sign-off the Professional Services Project Completion Signoff Document shall not be withheld by Customer for delays in the porting of the numbers.

- i. Notwithstanding the above, the RingCentral Project Manager, upon Customer request, shall assist the Customer with this responsibility by performing the following tasks for each Site:
- ii. The RingCentral Project Manager shall assist the Customer with the initial submission of port requests and shall assist in up to three (3) rejections/resubmissions per location or 90 days from submission, whichever occurs first;
 - a. Any additional port rejections will be the responsibility of the Customer;
 - b. Customer shall provide RingCentral all appropriate Letters of Authorization ("LOA"s), billing information, and authorized signer for each location;
 - c. Porting submissions will include numbers mapped to correct route as "company" numbers or Direct Dial phone numbers;

10. Delays and Changes – Changes to this SOW shall be made only in a mutually executed written change order between RingCentral and Customer (a "**Change Order**," a sample of which is attached as Appendix C to this SOW), outlining the requested change and the effect of such change on the Services, including without limitation the fees and the timeline as determined by mutual agreement of both parties. Any delays in the performance of consulting services or delivery of deliverables caused by Customer, including without limitation delays in completing and returning Customer documentation required during the P&D or completing the BRD, may result in an adjustment of project timeline and additional fees. Any changes or additions to the services described in this SOW shall be requested by a Change Order and may result in additional fees.

11. Project Phasing – The Professional Services may be delivered in one or more phases as set forth in this SOW. This SOW describes the milestones, objectives, Deliverables, Sites, fees and other components that are included in the scope of each phase ("Project Phases"). Customer agrees that the delivery, installation, testing, acceptance and payment for the Professional Services rendered under any one Project Phase is not dependent on the delivery, installation, testing, acceptance and payment for the Professional Services under any other Project Phase. Each Project Phase will be billed upon Acceptance, and Payment for each Project Phase is due in full within the applicable payment period agreed between the parties and is non-refundable.

IN WITNESS WHEREOF, the Parties have executed this RingCentral Professional Services Statement of Work for Implementation Services below through their duly authorized representatives.

Customer

City of Pontiac

By: _____

Name: _____

Title: _____

Date: _____

RingCentral

RingCentral, Inc.

By: _____

Name: _____

Title: _____

Date: _____

**RingCentral Professional Services
Statement of Work for Professional Services
Appendix A
Planning and Design Location**

Planning and Design Location Address(s):	Up to # of Users
Remote	147

**RingCentral Professional Services
Statement of Work for Professional Services
Appendix B**

Site	Address	Number of Users	Deployment Type	Rate per Site
City Hall	47450 Woodward Ave. Pontiac MI 48342	92	Remote	\$ 4,600.00
District Court	70 N. Saginaw St. Pontiac MI 48342	55	Remote	\$ 2,750.00
Total		147		\$ 7,350.00

**RingCentral Professional Services
Statement of Work for Professional Services
Appendix C
Change Order Form for Implementation Services**

This Change Order to the Statement of Work is subject to the Professional Services Agreement (the “PS Agreement”) by and between Customer and RingCentral with the Effective Date listed below, establishes a change to the project scope or budget. By executing this Change Order, the parties agree to be bound by the terms and conditions set out in the PS Agreement with respect to the Services to be performed under the PS Agreement and Statement of Work (“SOW”) indicated below as modified by this Change Request.

Effective Date of PS Agreement:	Effective Date of SOW:		
Project Name:	Request Date:	PO Number:	Quote Number:
Customer Name:	Requested By:	Requestor Phone:	Requestor email:

Customer Address:

Specific Details Explaining the Change:

Change 1

<u>Quantity:</u>	<u>Description:</u>	<u>Professional Services Cost:</u>
Change Order Total:		

Impact on Project Timeline and Scheduled Delivery Date:

Impact on SOW Pricing:

BY SIGNING BELOW, the Parties have each caused this Change Order to be signed and delivered by its duly authorized representative as of the date Customer signs below (the “Effective Date”).

Customer

RingCentral

By: _____
Signed: __SAMPLE ONLY__
Title: _____
Date: _____

By: _____
Signed: __SAMPLE ONLY__
Title: _____
Date: _____

**RingCentral Professional Services
Statement of Work for Professional Services
Appendix D**

Registration of Address and Notification Information – Emergency Dialing.

Bulk uploading of user data, building extensions, etc. may require input of registered addresses and emergency notification information. By engaging RingCentral for implementation of the Services, Customer agrees to the following:

- I. **Registered Address.** It is Customer's obligation to maintain accurate emergency location information for each Digital Line on its Account. RingCentral will, on Customer's behalf, upload Customer's Users' registered addresses using a list of addresses provided by Customer.
- II. **Emergency Notifications.** For Digital Lines located in the United States, Customer must input and maintain in Service Web a central location for the receipt of emergency notifications generated by its Users placing emergency calls (for further information about this obligation, [click here](#)). RingCentral will, as a part of the upload described in (A) above, also input Customer's emergency notification location, as directed by Customer.
- III. **Customer's Representation and Warranty.** Customer represents and warrants that the registered addresses and emergency notifications location are accurate and acknowledges that any subsequent change to the registered addresses must be carried out by Customer. Customer acknowledges that it may have its own independent legal obligation to ensure the accuracy of the above information and that RingCentral takes no responsibility for the accuracy of the information provided by Customer.



Tony Pacini, Sr. Account Executive - Public Sector
 Connect with me: 313-335-3240 | tony.pacini@ringcentral.com



Presented to: City of Pontiac

December 8, 2020

Description	Qty.	List Unit Price	Discounted Unit Price	RingCentral Monthly Amount	RingCentral Annual Amount
Service Price - 36 Month Term (MRC) - Monthly Pay					
RingCentral Office - Standard Licenses**	143	\$25.99	\$13.49	\$1,929.07	\$23,148.84
<i>Softphone, Mobile App, Team Messaging, RC Video, Audio Conferencing, SMS, Fax</i>	143	Included	Included	Included	Included
Basic License - Limited Voice Extension (Conference, Common Area)	4	\$14.99	\$9.99	\$39.96	\$479.52
Usage - Local & Long Distance for US & Canada, 1,000 Toll-Free Minutes	UNLIMITED	Included	Included	Included	Included
Additional Toll-Free Numbers	3	\$4.99	\$0.99	\$2.97	\$35.64
Compliance and Administrative Cost Recovery Fee	147	\$3.50	-	\$514.50	\$6,174.00
E-911	147	\$1.00	-	\$147.00	\$1,764.00
Federal Universal Service Fund Fee	1	-	-	\$115.98	\$1,391.76
RingCentral Office Grand Total*				\$2,749.48	\$32,993.76

*Federal Universal Service Fund Fee (FUSF) charge calculated at time of invoice.
 Tax exemption of State & Local taxes pending RingCentral approval of tax exempt certificate
 **Includes Premium tier features: Multisite, SSO, Custom Roles and Permissions, Nomadic 911

Phone Hardware (one-time purchase)				
Description	Qty.	List Unit Price	Discounted Unit Price	Total for Units
Phone Hardware - Polycom VVX 250 (General)	121	\$159.00	\$63.96	\$7,739.16
Phone Hardware - Polycom VVX 450 + Expansion Module (Receptionist)	8	\$489.00	\$409.00	\$3,272.00
Phone Hardware - Polycom Trio 8500 (Conference)	4	\$997.00	\$899.00	\$3,596.00
Phone Hardware - Polycom OBI302 ATA (Fax)	14	\$79.00	\$69.00	\$966.00
Total for Phone Hardware Purchase				\$15,573.16

Professional Services (one-time fee/purchase)				
Description	Qty.	List Unit Price	Discounted Unit Price	Total for Units
Professional Services - Remote Project Management, Implementation, & Training	147	-	\$50.00	\$7,350.00
Total for Professional Service Implementation				\$7,350.00

*Final scope of work (SOW) and associated pricing will be developed upon the completion of services discovery conversations

^Subject to change based on final SOW
 PRICING VALID FOR 60 DAYS

Polycom Rebate Program			
Description	Qty.	Polycom Rebate	Total for Units
Phone Hardware - Polycom VVX250	121	(\$15.00)	(\$1,815.00)
Phone Hardware - Polycom VVX450	8	(\$40.00)	(\$320.00)
Phone Hardware - Polycom Trio 8500	4	(\$50.00)	(\$200.00)
Total Rebate			(\$2,335.00)

Limit 200 phones
 Rebate funds provided directly from Polycom

RingCentral

MASTER SERVICES AGREEMENT

This Master Services Agreement is effective as of the date of last signature ("Effective Date") and made between:

RingCentral, Inc. ("RingCentral")	City of Pontiac ("Customer")
Address: 20 Davis Drive Belmont, CA 94002	Address: 47450 Woodward Avenue Pontiac, MI 48342
Signature: for and on behalf of RingCentral .	Signature: for and on behalf of Customer .
Name:	Name:
Job Title:	Job Title:
Date:	Date:

RingCentral and Customer are together referred to as the "Parties" and each individually as a "Party."

- The Master Services Agreement ("Agreement") consists of the terms and conditions contained herein, and any Service Attachments applicable to Customer's Services, and any other Attachments agreed by the Parties, are incorporated into and form a part of this Agreement.
 - Exhibit A – Definitions
 - Service Attachment A – RingCentral Office Services
 - Attachment B – Professional Services Agreement
 - Attachment C – Service Level Agreement for Office Services
 - Attachment D – Business Associate Agreement

THE PARTIES AGREE AS FOLLOWS:

2. Ordering and Term

A. Ordering Services. Customer may order the Services set forth in the relevant Attachments, attached hereto, by executing an Order Form in the format provided by RingCentral. Customer must submit the Order Form to RingCentral either in writing or electronically via the Administrative Portal. The Order Form will identify the Services requested by Customer together with: (i) the price for each Service; (ii) scheduled Start Date; (iii) and products rented, licensed or sold to Customer, if any. An Order Form will become binding when it is executed by the Customer and accepted by RingCentral. RingCentral may accept an Order Form by commencing performance of the requested Services. The Services and invoicing for those Services will begin on the Start Date, as identified in the applicable Order Form or on the day Services are ordered via the Administrative Portal. Customer may purchase additional Services, software, and equipment via the Administrative Portal or by executing additional Order Forms.

B. Equipment. Customer may purchase or rent equipment from RingCentral for use with the Services. The terms and conditions that govern any such transaction can be found at:

- (i) Purchase: <http://www.ringcentral.com/legal/ringcentral-hardware-terms-conditions.html>; and
- (ii) Rental: <http://www.ringcentral.com/legal/lease-rental.html>

C. Term of this Agreement. The Term of this Agreement will commence on the Effective Date and continue until the last Order Form is terminated or expires, unless terminated earlier in accordance with its terms.

D. Services Term. The Services Term will begin on the Start Date of the initial Order Form and continue for the initial term set forth in the initial Order Form ("Initial Term"). Upon expiration of the Initial Term, unless otherwise set forth in the Order Form, recurring Services

will automatically renew for successive periods as set forth in the initial Order Form (each a "Renewal Term") unless either Party gives notice of non-renewal at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term. The term of any recurring Services added to your Account after the initial Order Form is executed will start on the Start Date in the applicable Order Form, will run coterminously with the then-current Term of any preexisting Services unless otherwise extended in the applicable Order Form, and will be invoiced on the same billing cycles as the preexisting Services.

3. Invoicing and Payment

A. Prices and Charges. All prices are identified in US dollars on the Administrative Portal or in the applicable Order Form unless otherwise agreed by the Parties. Additional charges may result if Customer activates additional features, exceeds usage thresholds, or purchases additional Services or equipment. Customer will be liable for all charges resulting from use of the Services on its Account. Unless otherwise agreed between the Parties, recurring charges for the Services begin on the Start Date identified in the Administrative Portal or in the applicable Order Form and will continue for the Term. Recurring charges (such as charges for Digital Lines, product licenses, minute bundles, and equipment rental fees) will, unless otherwise agreed between the Parties, once incurred, remain in effect for the then-current Term. RingCentral will provide notice of any proposed increase in such charges no later than sixty (60) days before the end of the Initial Term or then-current Renewal Term, and any such increase will be effective on the first day of the next Renewal Term. Administrative Fees that RingCentral is entitled to pass on to its customers as a surcharge pursuant to applicable Law may be increased on thirty (30) days' written notice. Outbound calling rates will be applied based on

the rate in effect at the time of use. Customer may locate the currently effective rates in the Administrative Portal.

B. Invoicing and Payment. Invoices will be issued in accordance with the payment terms set forth in the Order Form. If Customer chooses to pay by credit or debit card, by providing a valid credit or debit card, Customer is expressly authorizing all Services and equipment charges and fees to be charged to such payment card, including recurring payments billed on a monthly or annual basis. In addition, Customer's provided credit card shall be used for any in-month purchases of additional services and products, or where Customer has exceeded usage or threshold limits, any overage charges. Unless otherwise stated in the applicable Order Form, recurring charges are billed in advance in the frequency set forth in the Order Form, and usage-based and onetime charges are billed monthly in arrears. Customer shall make payment in full, without deduction or set-off, within thirty (30) days of the invoice date. Any payment not made when due may be subject to a late payment fee equivalent to the lesser of (i) one and a half percent (1.5%) per month or (ii) if applicable, the highest rate allowed by Law. In no event may payment be subject to delays due to Customer internal purchase order process.

C. Taxes. All rates, fees, and charges are exclusive of applicable Taxes, for which Customer is solely responsible. Taxes may vary based on jurisdiction and the Services provided. If any withholding tax is levied on the payments, then Customer must increase the sums paid to RingCentral so that the amount received by RingCentral after the withholding tax is deducted is the full amount RingCentral would have received if no withholding or deduction had been made. If Customer is a tax-exempt entity, tax exemption will take effect upon provision to and validation by RingCentral of certificate of tax exemption.

D. Billing Disputes. If a Customer reasonably and in good faith disputes any portion of RingCentral's invoice, it must provide written notice to RingCentral within thirty (30) days of the invoice date, identifying the reason for the dispute and the amount being disputed. Customer's dispute as to any portion of the invoice will not excuse Customer's obligation to timely pay the undisputed portion of the invoice. Upon resolution, Customer must pay any validly invoiced unpaid amounts within thirty (30) days. Any amounts that are found to be in error resulting in an overpayment by the Customer will be applied as a billing credit against future invoices. Customer will be reimbursed any outstanding billing credits at the expiration or termination of this Agreement.

4. Provision of the Service

A. General Terms. RingCentral will provide the Services as described in the relevant Service Attachment. RingCentral may enhance, replace, and/or change the features of the Services, but it will not materially reduce the core features, functions, or security of the Services during the Term without Customer's consent.

B. Customer Care

- i. Customer must provide Helpdesk Support to Customer's End Users. RingCentral may require Customer's Helpdesk Support personnel to complete a designated series of training courses on RingCentral's Services. Such training will be provided to Customer online in English at no cost.
- ii. RingCentral will make remote support available to Customer's Helpdesk Support personnel and/or Account Administrators via the Customer Care call center, which will be available 24/7, to attempt to resolve technical issues with, and answer questions regarding the use of the Services. Unless otherwise agreed by the parties, Customer Care support will be provided in English, and onsite and implementation services are not included in the Customer Care support.
- iii. Customer may open a case with Customer Care following the

process in place at the time. Any individual contacting Customer Care on behalf of Customer must be authorized to do so on behalf of the Account and will be required to follow applicable authentication protocols.

C. Professional Services. RingCentral offers a broad portfolio of professional services that includes onsite and remote implementation services; extended enterprise services including dedicated proactive network monitoring and premium technical support; and consulting. Any such services are governed by this Agreement, the Professional Services terms, and any applicable Statement of Work (SOW), which may be attached hereto.

D. Subcontracting. RingCentral may provide any of the Services hereunder through any of its Affiliates or subcontractors, provided that RingCentral will bear the same degree of responsibility for acts and omissions for those subcontractors acting on RingCentral's behalf in the performance of its obligations under this Agreement as it would bear if such acts and omissions were performed by RingCentral directly.

5. Use of the Service

A. Service Requirements. The Services are dependent upon Customer's maintenance of sufficient Internet access, networks and power as set forth in RingCentral's Technical Sufficiency Criteria, available at <https://www.ringcentral.com/legal/policies/technical-sufficiency-criteria.html>. RingCentral will not be responsible for any deficiencies in the provision of the Services if Customer's network does not meet RingCentral's Technical Sufficiency Criteria.

B. Use Policies. Customer and its End Users may use the Services only in compliance with this Agreement, applicable Law, and the Use Policies referenced below, which are incorporated into and form part of this Agreement. Customer must ensure that its End Users comply with the Use Policies. Any breach of this Section (Use Policies) will be deemed a material breach of this Agreement. RingCentral may update the Use Policies from time to time and will provide notice of material updates to Customer at the email address on file with the Account. All updates will become effective thirty (30) days after such notice to Customer or upon posting for non-material changes. Customer may object to a modification that negatively impacts its use of the Service by sending written notice ("Objection Notice") to RingCentral within thirty (30) days from the date of the notice of modification. If the Parties cannot reach agreement, then either Party may terminate the affected Services without penalty with a thirty (30) days written notice to the other Party.

- i. **Acceptable Use Policy.** The Services must be used in accordance with RingCentral's Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>. Notwithstanding anything to the contrary in this Agreement, RingCentral may act immediately and without notice to suspend or limit the Services if RingCentral reasonably suspects fraudulent or illegal activity in the Customer's Account, material breach of the Acceptable Use Policy, or use of the Services that could interfere with the functioning of the RingCentral Network provided such suspension or limitation may only be to the extent reasonably necessary to protect against the applicable condition, activity, or use. RingCentral will promptly remove the suspension or limitation as soon as the condition, activity or use is resolved and mitigated in full. If Customer anticipates legitimate but unusual activity on its Account, Customer should contact Customer Care in advance to avoid any Service disruption.
- ii. **Emergency Services.** RingCentral's policy governing the provision of emergency services accessed via the Services is

available at <https://www.ringcentral.com/legal/emergency-services.html>.

- iii. **Numbering Policies.** The provision, use, and publication of numbers used in conjunction with the Services are governed by RingCentral's Numbering Policies, available at <https://www.ringcentral.com/legal/policies/numbering-policy.html>.

6. Termination

A. Termination for Cause. Either Party may terminate this Agreement and any Services purchased hereunder in whole or part by giving written notice to the other Party: i) if the other Party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days after receipt of such notice; ii) at the written recommendation of a government or regulatory agency following a change in either applicable Law or the Services; or iii) upon the commencement by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings or an assignment for the benefit of creditors.

B. Effect of Termination. If Customer terminates the Services, a portion of the Services, or this Agreement in its entirety due to RingCentral's material breach under Section 6(A) (Termination for Cause), Customer will not be liable for any fees or charges for terminated Services for any period subsequent to the effective date of such termination (except those arising from continued usage before the Services are disconnected), and RingCentral will provide Customer a pro-rata refund of any prepaid and unused fees or charges paid by Customer for terminated Services. If this Agreement or any Services are terminated for any reason other than as a result of a material breach by RingCentral or as otherwise permitted pursuant to Section 6(A) or as set forth in Section 14(I) (Regulatory and Legal Changes) the Customer must, to the extent permitted by applicable Law and without limiting any other right or remedy of RingCentral, pay within thirty (30) days of such termination all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services for the remainder of the then-current Term plus related Taxes and fees.

7. Intellectual Property

A. Limited License

- i. Subject to, and conditional upon Customer's compliance with, the terms of this Agreement, RingCentral grants to Customer and its End User, a limited, personal, revocable, non-exclusive, non-transferable (other than as permitted under this Agreement), non-sublicensable license to use any software provided or made available by RingCentral to the Customer as part of the Services ("Software") to the extent reasonably required to use the Services as permitted by this Agreement, only for the duration that Customer is entitled to use the Services and subject to the Customer being current on its payment obligations.
- ii. Customer will not, and will not allow its End Users, to: (a) sublicense, resell, distribute or assign its right under the license granted under this Agreement to any other person or entity; (b) modify, adapt or create derivative works of the Software or any associated documentation; (c) reverse engineer, decompile, decrypt, disassemble or otherwise attempt to derive the source code for the Software; (d) use the Software for infringement analysis, benchmarking, or for any purpose other than as necessary to use the Services Customer is authorized to use; (e) create any competing Software or Services; or (f) remove any copyright or other proprietary or confidential notices on any Software or Services.

B. IP Rights

- i. **RingCentral's Rights.** Except as expressly provided in this Agreement, the limited license granted to Customer under Section 7(A) (Limited License) does not convey any ownership or other rights or licenses, express or implied, in the Services (including the Software), any related materials, or in any Intellectual Property and no IP Rights or other rights or licenses are granted, transferred, or assigned to Customer, any End User, or any other party by implication, estoppel, or otherwise. All rights not expressly granted herein are reserved and retained by RingCentral and its licensors. The Software and Services may comprise or incorporate services, software, technology or products developed or provided by third parties, including open source software or code. Customer acknowledges that misuse of RingCentral Services may violate third-party IP rights.
- ii. **Customer Rights.** As between RingCentral and Customer, Customer retains title to all IP Rights that are owned by the Customer or its suppliers. To the extent reasonably required or desirable for the provision of the Services, Customer grants to RingCentral a limited, personal, non-exclusive, royalty-free, license to use Customer's IP Rights in the same. Customer must provide (and is solely responsible for providing) all required notices and obtaining all licenses, consents, authorizations or other approvals related to the use, reproduction, transmission, or receipt of any Customer Content that includes personal or Confidential Information or incorporates any third-party IP rights.

C. Use of Marks. Neither Party may use or display the other Party's trademarks, service mark or logos in any manner without such Party's prior written consent.

8. Confidentiality

A. Restrictions on Use or Disclosures by Either Party. During the Term of this Agreement and for at least one (1) year thereafter, the Receiving Party shall hold the Disclosing Party's Confidential Information in confidence, shall use such Confidential Information only for the purpose of fulfilling its obligations under this Agreement, and shall use at least as great a standard of care in protecting the Confidential Information as it uses to protect its own Confidential Information.

Each Party may disclose Confidential Information only to those of its employees, agents or subcontractors who have a need to it in order to perform or exercise such Party's rights or obligations under this Agreement and who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement. Each Party may disclose the other Party's Confidential Information in any legal proceeding or to a governmental entity as required by Law.

These restrictions on the use or disclosure of Confidential Information do not apply to any information which is independently developed by the Receiving Party or lawfully received free of restriction from another source having the right to so furnish such information; after it has become generally available to the public without breach of this Agreement by the Receiving Party; which at the time of disclosure was already known to the Receiving Party, without restriction as evidenced by documentation in such Party's possession; or which the Disclosing Party confirms in writing is free of such restrictions.

Upon termination of this Agreement, the Receiving Party will promptly delete, destroy or, at the Disclosing Party's request, return to the Disclosing Party, all Disclosing Party's Confidential Information in its possession, including deleting or rendering unusable all electronic files and data that contain Confidential Information, and upon request will

provide the Disclosing Party with certification of compliance with this subsection.

9. Data Protection

A. Data Privacy. RingCentral respects Customer's privacy and will only use the information provided by Customer to RingCentral or collected in the provision of the Services in accordance with: (a) the Privacy Notice, available at <http://www.ringcentral.com/legal/privacy-notice.html>, and (b) RingCentral's Data Processing Addendum, available at <https://www.ringcentral.com/legal/dpa.html>, each of which are hereby incorporated by reference. RingCentral may update the Privacy Notice and Data Processing Addendum from time to time and will provide notice of any material updates to the Customer as required by applicable Laws at the email address on file with the Account. Such updates will be effective thirty (30) days after such notice to Customer.

B. Data Security. RingCentral will take commercially reasonable precautions, including, without limitation, technical (e.g., firewalls and data encryption), administrative and physical measures, to help safeguard Customer's Account, Account Data, and Customer Content against unauthorized use, disclosure, or modification. Customer must protect all End Points using commercially reasonable security measures. Customer is solely responsible to keep all user identifications and passwords secure. Customer must monitor use of the Services for possible unlawful or fraudulent use. Customer must notify RingCentral immediately if Customer becomes aware or has reason to believe that the Services are being used fraudulently or without authorization by any End User or third party. Failure to notify RingCentral may result in the suspension or termination of the Services and additional charges to Customer resulting from such use. RingCentral will not be liable for any charges resulting from unauthorized use of Customer's Account.

C. Software Changes. RingCentral may from time to time push software updates and patches directly to Customer's device(s) for installation and Customer will not prevent RingCentral from doing so. Customer must implement promptly all fixes, updates, upgrades and replacements of software and third-party software that may be provided by RingCentral. RingCentral will not be liable for inoperability of the Services or any other Services failures due to failure of Customer to timely implement the required changes.

10. Limitations of Liability

A. Excluded Damages. IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES OR ITS OR THEIR SUPPLIERS BE LIABLE FOR INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO: (1) LOSS OF USE OR LOSS OF DATA; (2) LOSS OF BUSINESS OPPORTUNITIES, REVENUES OR PROFITS; OR (3) COSTS OF PROCURING REPLACEMENT PRODUCTS OR SERVICES, IN ALL CASES WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, AND EVEN IF SUCH PARTY HAS BEEN INFORMED IN ADVANCE OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

B. Liability Caps. EXCEPT AS SET FORTH HEREIN, THE TOTAL CUMULATIVE LIABILITY OF THE PARTIES UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNTS PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE PREVIOUS SIX (6) MONTHS. LIMITATIONS UNDER THIS SECTION 10(B) (DIRECT DAMAGES) WILL NOT APPLY TO: I) FEES OWED BY CUSTOMER; II) EITHER PARTY'S LIABILITY FOR INFRINGEMENT OF THE OTHER PARTY'S IP RIGHTS; III) EITHER PARTY'S LIABILITY RESULTING FROM GROSS NEGLIGENCE, FRAUD, OR WILLFUL OR CRIMINAL MISCONDUCT; IV) CUSTOMER'S LIABILITY RESULTING FROM USE OF THE SERVICES IN BREACH OF THE ACCEPTABLE USE

POLICY OR EMERGENCY SERVICES POLICY; OR VI) EITHER PARTY'S LIABILITY ARISING FROM DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE, OR FOR ANY OTHER LIABILITY WHICH MAY NOT BE RESTRICTED, LIMITED OR EXCLUDED PURSUANT TO APPLICABLE LAW.

11. Indemnification

A. Indemnification by RingCentral

- i. RingCentral shall indemnify and hold harmless the Customer and its Affiliates for Indemnifiable Amounts, and shall defend any third-party claims or causes of action (a "Third Party Claim") to the extent such Third Party Claim arises out of or alleges that the Services, as provided by RingCentral, infringe or misappropriate the patent, copyright, trademark, or trade secret rights of a third party.
- ii. RingCentral will have no obligations under subsection (i) above to the extent the Third Party Claim arises from: (a) use of the Services in combination with data, software, hardware, equipment, or technology not provided or authorized by RingCentral in writing unless any of the foregoing are necessary for the proper operation of the Services; (b) modifications to the Services not made by RingCentral; (c) Customer Content; (d) failure to promptly install any updates of any software or firmware or accept or use any modified or replacement items provided free of charge by or on behalf of RingCentral; (e) breach of the Agreement; or (f) a Third Party Claim brought by Customer's Affiliate, successor, or assignee.
- iii. If such a Third-Party Claim is made or appears possible, Customer agrees to permit RingCentral, at RingCentral's sole discretion and expense, to (a) modify or replace the Services, or component or part thereof, to make it non-infringing or (b) obtain the right for Customer to continue to use the Services. If RingCentral determines that neither alternative is commercially reasonable, RingCentral may terminate this Agreement in its entirety or with respect to the affected Service, component or part (a "Discontinued Component"), effective immediately on written notice to Customer, in which case Customer will not owe any fees or charges relating to the Discontinued Component for any period subsequent to the date of such termination, and will be entitled to receive a refund of any prepaid but unused fees relating to the Discontinued Component. In the event the removal of the Discontinued Component does not substantially affect Customer's use of the Services, the refund or fee abatement pursuant to the foregoing shall be a reasonable portion of the total fees owed by Customer for the Services as a whole based on the significance of the Discontinued Component to the total value of the Services as a whole. RingCentral's obligations under this Sub-Section will be RingCentral's sole and exclusive liability and Customer's sole and exclusive remedies with respect to any actual or alleged intellectual property violations.

B. Indemnification by Customer. Customer shall indemnify, and hold harmless RingCentral and its Affiliates for Indemnifiable Amounts, and shall defend any Third Party Claims arising out of or in connection with: (i) material violation of applicable Law by the Customer, its Affiliates, or their respective End Users in connection with their use of the Services; (ii) use of the Services in breach of the Use Policies; (iii) failure to promptly install any updates of any software or firmware or accept or use modified or replacement items provided free of charge by or on behalf of RingCentral; or (iv) Customer Content.

C. Defense and Indemnification Procedures. Any Party seeking indemnification under this Section 11 (the "Indemnified Party") shall provide the Party from which it seeks such indemnification (the

"Indemnifying Party") with the following: (a) prompt written notice of the Third-Party Claim, (b) sole control over the defense and settlement of the Third-Party Claim, and (c) reasonable information, cooperation, and assistance (at the Indemnifying Party's sole expense except for the value of the time of the Indemnified Party's personnel) in connection with the defense and settlement of the Third-Party Claim. The Indemnified Party's failure to comply with the foregoing obligations will not relieve the Indemnifying Party of its defense or indemnification obligations under this Section 11 (Indemnification) except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnified Party will have the right to participate (but not control), at its own expense, in the defense of such Third-Party Claim, including any related settlement negotiations. No such claim may be settled by the Indemnifying Party without the Indemnified Party's express written consent (not to be unreasonably withheld, conditioned, or delayed) unless such settlement includes a full and complete release of all claims and actions against the Indemnified Party by each party bringing such Third-Party Claim, requires no admission of fault, liability, or guilt by the Indemnified Party, and requires no act by the Indemnified Party other than the payment of a sum of money fully indemnified by the Indemnifying Party.

12. Warranties

A. RingCentral Warranty. RingCentral will provide the Services using a commercially reasonable level of skill and care, in material compliance with all applicable Laws and otherwise subject to the terms of this Agreement. To the extent permitted by Law, RingCentral shall pass through to Customer any and all warranties RingCentral receives in connection with equipment provided to Customer by or on behalf of RingCentral.

B. Customer Warranty. Customer's and its End Users' use of the Services must always comply with all applicable Laws and this Agreement.

C. Disclaimer of Warranties. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND TO THE FULLEST EXTENT PERMITTED BY LAW, THE SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE," AND RINGCENTRAL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE IN TRADE, TOGETHER WITH SIMILAR WARRANTIES, WHETHER ARISING UNDER ANY LAW OR OTHERWISE. TO THE EXTENT THAT RINGCENTRAL CANNOT DISCLAIM ANY SUCH WARRANTY AS A MATTER OF APPLICABLE LAW, THE SCOPE AND DURATION OF SUCH WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY LAW.

13. Dispute Resolution

A. Governing Law. This Agreement, and any dispute, claim or cause of action (whether in contract, tort or statute) ("Dispute") arising out of or in connection with this Agreement shall be governed by, and construed in accordance with the Laws of the State of Michigan, excluding conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement or Customer's use of the products or Services.

B. Good Faith Attempt to Settle Disputes. In the event of a Dispute, each Party shall appoint a duly authorized representative who shall use all reasonable endeavors to resolve in good faith any Dispute within reasonable timescales.

C. Arbitration. If the Parties do not reach settlement or otherwise resolve a Dispute within a period of sixty (60) days, then, upon notice by any Party to the other(s), the Dispute shall be settled exclusively by

arbitration administered by the American Arbitration Association ("AAA") under the AAA Rules of Arbitration (the "Rules"). The number of arbitrators shall be one (1), to be mutually agreed by the Parties or, if no agreement is reached within fifteen (15) days after commencement of the arbitration, selected by the AAA in accordance with the Rules. The place of arbitration shall be Pontiac, Michigan. The language of the arbitration shall be English, and all written materials in connection with such arbitration, including but not limited to all pleadings and evidence, shall be available in the English language. The law to be used by the arbitrator shall be the Laws of the State of California without regard to conflict of law principles. The arbitrator's decision shall be final and binding, and judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award the prevailing party its reasonable attorneys' fees and costs in connection with the arbitration. Except to the extent required by Law, neither Party nor the arbitrator (if any) may disclose the existence, content, or results of, or any communications in connection with, any arbitration or Dispute hereunder without the prior written consent of both Parties. A Party may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim, injunctive, or conservatory relief without breach of this arbitration agreement and without any abridgment of the powers of the arbitrators in the event of acts or breaches of this Agreement that such Party believes may cause irreparable harm or with respect to which such Party believes monetary damages would not provide adequate compensation.

D. Exclusions from Arbitration. Notwithstanding the provisions of Section 13.C, RingCentral shall have the right to: (i) apply to any court of competent jurisdiction to secure a lien or take other similar action in connection with a Dispute related to amounts payable by Customer to RingCentral pursuant to Section 3 (Invoicing and Payment) of the Agreement; or (ii) initiate an action in small claims court for Disputes relating to Customer's payment obligations to RingCentral pursuant to Section 3 (Invoicing and Payment) of the Agreement, provided, however, if such a claim is transferred, removed or appealed to a different court, RingCentral reserves the right to require binding arbitration of the Dispute pursuant to the terms of Section 13.C of the Agreement.

E. Equitable Relief. Any breach of either Party's IP Rights may cause that Party irreparable harm for which monetary damages will be inadequate and such Party may, in addition to other remedies available at Law or in equity, obtain injunctive relief without the necessity of posting a bond or other security, proof of damages, or similar requirement, in addition to any other relief to which such Party may be entitled under applicable Law.

14. Miscellaneous

A. Relationship of the Parties. RingCentral and Customer are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between RingCentral and Customer.

B. Assignment. Neither Party may assign the Agreement or any portion thereof without the other Party's prior written consent (which such consent may not be unreasonably withheld or delayed), however either Party may assign the Agreement and all of that Party's rights and obligations thereunder without consent (a) to an Affiliate; (b) to the Party's successor or surviving entity in connection with a merger, acquisition, consolidation, sale of all or substantially all of its assets used in connection with the provision of Services under this Agreement; or (c) as part of the transfer or disposition of more than fifty percent (50%) of a Party's voting control or assets. This Agreement will bind and inure to the benefit of the Parties, and their permitted assigns and successors.

C. Notices. Except where otherwise expressly stated in the Agreement, all notices or other communications must be in English and are deemed to have been fully given when made in writing and delivered in person, upon delivered email, confirmed facsimile, or five days after deposit with a reputable overnight courier service, and addressed as follows: To RingCentral at RingCentral, Inc., Legal Dept., 20 Davis Drive, Belmont, CA 94002 USA, with a copy to legal@ringcentral.com, and to Customer at either the physical address or email address associated with the Customer Account. Customer acknowledges and agrees that all electronic notices have the full force and effect of paper notices. The addresses to which notices may be given by either Party may be changed (a) by RingCentral upon written notice given to Customer pursuant to this Section or (b) by Customer in the Administrative Portal.

D. Force Majeure. Excluding either Party's payment obligations under the Agreement, neither Party will be responsible or liable for any failure to perform or delay in performing to the extent resulting from any event or circumstance that is beyond that Party's reasonable control, including without limitation any act of God; national emergency; third-party telecommunications networks; riot; war; terrorism; governmental act or direction; change in Laws; fiber, cable, or wire cut; power outage or reduction; rebellion; revolution; insurrection; earthquake; storm; hurricane; flood, fire, or other natural disaster; strike or labor disturbance; or other cause, whether similar or dissimilar to the foregoing, not resulting from the actions or inactions of such Party.

E. Third-Party Beneficiaries. RingCentral and Customer agree that there will be no third-party beneficiaries to this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

F. Headings, Interpretation. The headings, section titles, and captions used in the Agreement are for convenience of reference only and will have no legal effect. All defined terms include related grammatical forms, and, whenever the context may require, the singular form of nouns and pronouns include the plural, and vice versa. The Parties agree that this Agreement will be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party or Parties on the grounds that the Party or Parties drafted or was more responsible for drafting the provision(s).

G. Anti-Bribery. Each Party represents that in the execution of this Agreement and in the performance of its obligations under this Agreement it has complied and will comply with all applicable anti-bribery Laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar applicable Laws.

H. Family Education Rights and Privacy Act (FERPA). Customer Content when in-transit on the RingCentral Network and when at-rest within RingCentral Data Centers may contain communications and/or educational records pertaining to students in connection with the performance of the Services pursuant to the Agreement. RingCentral shall only use or disclose such Customer Content as is reasonably necessary to provide the Services or for RingCentral to otherwise perform its obligations under the Agreement

I. Export Control. Any services, products, software, and technical information (including, but not limited to, services and training) provided pursuant to the Agreement may be subject to U.S. export Laws and regulations. Customer will not use, distribute, transfer, or transmit the services, products, software, or technical information (even if incorporated into other products) except in compliance with U.S. and other applicable export regulations.

J. Regulatory and Legal Changes. In the event of any change in Law, regulation or industry change that would prohibit or otherwise

materially interfere with RingCentral's ability to provide Services under this Agreement, RingCentral may terminate the affected Services or this Agreement or otherwise modify the terms thereof.

K. Entire Agreement. The Agreement, together with any exhibits, Order Forms, Use Policies and Privacy Notice, and Attachments, each of which is expressly incorporated into this Agreement with this reference, constitutes the entire agreement between the Parties and supersedes and replaces any and all prior or contemporaneous understandings, proposals, representations, marketing materials, statements, or agreements, whether oral, written, or otherwise, regarding such subject.

L. Order of Precedence. In the event of any conflict between the documents comprising this Agreement, precedence will be given to the documents in the following descending order: (i) the applicable Order Form; (ii) the applicable Service Attachment; (iii) the main body of this Agreement; (iv) Use Policies and Privacy Notice incorporated by reference in this Agreement; and (v) any other document expressly referred to in this Agreement which governs the Services.

M. Amendments. Except as otherwise provided, this Agreement may only be modified by a written amendment executed by authorized representatives of both Parties. In no event will handwritten changes to any terms or conditions, including in the applicable Order Form, be effective.

N. Severability and Waiver. In the event any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, such provision(s) will be stricken and the remainder of this Agreement will remain legal, valid and binding. The failure by either Party to exercise or enforce any right conferred by this Agreement will not be deemed to be a waiver of any such right or to operate so as to bar the exercise or enforcement of any such or other right on any later occasion. Except as otherwise expressly stated in this Agreement, all rights and remedies stated in the Agreement are cumulative and in addition to any other rights and remedies available under the Agreement, at Law, or in equity.

O. Publicity. Subject to Customer's prior written approval, which may not be unreasonably withheld or denied, in each instance, and notwithstanding anything to the contrary in this Agreement, RingCentral may identify Customer as a customer (including use of any Customer logo or trademark) and may refer to this Agreement during its earnings calls and in connection with its business deals, press releases, and marketing and/or promotional materials.

P. Execution. Each Party represents and warrants that: (a) it possesses the legal right and capacity to enter into the Agreement and to perform all of its obligations thereunder; (b) the individual signing the Agreement and (each executable part thereof) on that Party's behalf has full power and authority to execute and deliver the same; and (c) the Agreement will be a binding obligation of that Party. Each Party agrees that an Electronic Signature, whether digital or encrypted, is intended to authenticate this Agreement and to have the same force and effect as manual signatures.

Q. Counterparts. This Agreement may be executed electronically and in separate counterparts each of which when taken together will constitute one in the same original.

R. Survival. The rights and obligations of either Party that by their nature would continue beyond the expiration or termination of this Agreement or an Order Form will survive expiration or termination of this Agreement or the Order Form, including without limitation payment obligations, warranty disclaimers, indemnities, limitations of liability, definitions and miscellaneous.

EXHIBIT A

DEFINITIONS

Definitions. Capitalized terms used in this Agreement but otherwise not defined have the following meaning:

i. **"Account"** means the numbered account established with RingCentral and associated with Customer and the Services provided to Customer under this Agreement. For billing and convenience purposes, multiple services, Digital Lines, or End Users may be included in a single billing account, and/or a single Customer may have multiple billing accounts encompassing different geographic locations, business units, or other designations as requested by Customer and accepted by RingCentral.

ii. **"Account Administrator"** means the person(s) who have been granted authority by Customer to set up, amend, or otherwise control settings and/or make additional purchases for the Account via the Administrative Portal. Account Administrators may have varying levels of Account rights, skills, or permissions.

iii. **"Account Data"** means: any business contact information provided with the Account; RingCentral-generated logs of calling or other metadata developed or collected in the provision of the Services; configuration data; and records of Digital Lines and any Services purchased under this Agreement.

iv. **"Administrative Fees"** means any administrative recovery fees, 911 cost recovery fees and the like separately charged by RingCentral to Customer.

v. **"Administrative Portal"** means the online administrative portal through which Account Administrators control settings and/or make additional purchases for the Account.

vi. **"Affiliate(s)"** means a person or entity that is controlled by a Party hereto, controls a Party hereto, or is under common control with a Party hereto, and "control" means beneficial ownership of greater than fifty percent (50%) of an entity's then-outstanding voting securities or ownership interests.

vii. **"Attachment (s)"** means documents appended to the contract containing additional terms for products and Services. Attachments and the terms and conditions contained therein are part of this Agreement.

viii. **"Confidential Information"** means any information disclosed by or on behalf of the Disclosing Party) to the Receiving Party that should reasonably be considered as confidential given the nature of the information and the circumstances surrounding its disclosure.

ix. **"Customer Care"** means Customer support operations delivered by RingCentral and/or its subcontractors.

x. **"Customer Content"** means the content of calls, facsimiles, SMS messages, voicemails, voice recordings, shared files, conferences or other communications transmitted or stored through the Services.

xi. **"Digital Line"** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits an End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.

xii. **"Disclosing Party"** means the Party disclosing Confidential Information or on whose behalf Confidential Information is disclosed by such Party's agents, including but not limited to, its Affiliates, officers, directors, employees and attorneys.

xiii. **"Dispute"** has the meaning set forth in Section 13(A) (Good Faith Attempt to Settle Disputes).

xiv. **"Electronic Signatures"** means an electronic sound, symbol, or process, including clicking a digital button to accept, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.

xv. **"End Point"** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

xvi. **"End User"** means an individual user to whom Customer makes the Services available, and may be a natural person, and may include but is not limited to Customer's employees, consultants, clients, external users, invitees, contractors and agents.

xvii. **"Helpdesk Support"** shall mean the performance of the following tasks:

- Standard feature/functionality ("how to") support for End Users (i.e. call forwarding, voice mail set-up, etc.);
- Standard management of the Admin Interface within the product; and
- Support all moves, adds, changes and deletes of employees.

xviii. **"Indemnifiable Amounts"** means all (X) damages and other amounts awarded against the Indemnified Party by a court of competent jurisdiction pursuant to a final judgment or a final award of an arbitral body in connection with such Third-Party Claim; (Y) any amounts payable by the Indemnified Party or its Affiliates pursuant to a binding, written agreement settling the Third Party Claim, provided such agreement is approved in advance in writing by the Indemnifying Party; and (Z) all reasonable costs and expenses paid to third parties by the Indemnified Party or its Affiliates in connection with the Indemnified Party's or its Affiliates' attorneys' fees and related expenses.

xix. **"Indemnifying Party"** and **"Indemnified Party"** have the meanings set forth in Section 11(C) (Defense and Indemnification Procedures).

xx. **"Initial Term"** has the meaning set forth in Section 2(D) (Services Term).

xxi. **"Intellectual Property Rights"** or **"IP Rights"** means all common law and statutory rights (whether registered or unregistered, or recorded or unrecorded, regardless of method) arising out of or associated with: (a) patents and patent applications, inventions, industrial designs, discoveries, business methods, and processes; (b) copyrights and copyright registrations, and "moral" rights; (c) the protection of trade and industrial secrets and Confidential Information; (d) other proprietary rights relating to intangible property; (e) trademarks, trade names and service marks; (f) a person's name, likeness, voice, photograph or signature, including without limitation rights of personality, privacy, and publicity; (g) analogous rights to those set forth above; and (h) divisions, continuations, continuations-in-part, renewals, reissues and extensions of the foregoing (as applicable).

xxii. **"Law"** means any law, statute, regulation, rule, ordinance, administrative guidance, treaty or convention, or court or administrative order or ruling of any governing Federal, State, local or non-U.S. governmental body with jurisdiction over the Services.

xxiii. **"Order Form(s)"** means a request for Service describing the type and quantity of Services required by Customer and submitted and accepted by the Parties in accordance with Section 2(A) (Ordering Services). The Order Form may be presented and executed via the Administrative Portal.

xxiv. **"Receiving Party"** means the Party or its agents, including, but not limited to its Affiliates, officers, directors, employees and attorneys receiving Confidential Information.

xxv. **"Renewal Term"** has the meaning set forth in Section 2(E) (Services Term).

xxvi. **"RingCentral Network"** means the network and supporting facilities between and among the RingCentral points of presence ("PoP(s)"), up to and including the interconnection point between the RingCentral's network and facilities, and the public Internet, private IP networks, and the Public Switched Telephone Network (PSTN). The RingCentral Network does not include the public Internet, a Customer's own private network, or the PSTN.

xxvii. **"Service(s)"** means all services provided under this Agreement and set forth in one or more Order Form(s).

xxviii. **"Start Date"** means the date so identified in the relevant Order Form or the date on which Customer orders Services via the Administrative Portal.

xxix. **"Taxes"** means any and all federal, state, local, municipal, foreign and other taxes and fees charged or collected from Customers, including but not limited to any Universal Service Fund, TRS and 911 taxes and fees.

xxx. **"Term"** means the Initial Term plus any Renewal Terms.

xxxi. **"Third Party Claim"** has the meaning set forth in Section 11(A) (Indemnification by RingCentral).

xxxii. **"Use Policy"** refers to any of the policies identified in Section 5(B) (Use Policies).

SERVICE ATTACHMENT A

SERVICE ATTACHMENT – RINGCENTRAL OFFICE SERVICES

This Service Attachment is a part of the Master Services Agreement (the “Agreement”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingCentral Office Services as described under the applicable Order Form.

1. Service Overview. RingCentral Office is a cloud-based unified communications service that includes enterprise-class voice, fax, text, call handling, mobile apps, and BYOD capability that integrates with a growing list of applications. RingCentral Office includes:

- Voice Services, including extension-to-extension calling and the ability to make and receive calls to and from the public switched telephone network (PSTN)
- Video and audio-conferencing service, including screen sharing
- Collaboration Tools, including One-to-One and Team Chat, File Sharing, task management, SMS/Texting (where available) and other innovative tools

RingCentral Office Services may be accessed from a variety of user End Points, including IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

2. Office Purchase Plans.

A. Tiers of Service. RingCentral Office is made available in several pricing tiers, which are described more fully at <https://www.ringcentral.com/office/plansandpricing.html>. While RingCentral offers unlimited monthly plans for some of its products and services, RingCentral Services are intended for regular business use. “Unlimited” use does not permit any use otherwise prohibited by the Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>, including trunking, access stimulation, reselling of the Services, etc.

B. Minute and Calling Credit Bundles. Minute Bundles, e.g., Toll Free Minute Bundles, can be purchased in incremental buckets of minute in addition to any number of minutes included with the purchased tier. Inbound Toll-Free minutes are deducted from included minutes, purchased Minute Bundles, or charged as overage at the rates currently in effect.

International Calling Credit Bundles can be purchased in addition to any base amount included with the purchased tier. International External Calls are charged against Calling Credits on the Account per destination rates, or as overage once Calling Credits are exceeded. Currently effective rates are available at <https://www.ringcentral.com/support/international-rates.html>.

Extension-to-Extension Calls within the Customer account never incur any usage fee and are unlimited, except to the extent that such calls are forwarded to another number that is not on the Customer account. Additional Calling Credits may be purchased through the Auto-Purchase feature, which can be selected for automatic purchase in various increments on the Administrative Portal. Auto-Purchase is triggered when the combined usage of all End Users on an Account exceeds the total Calling Credits or when End Users make calls with additional fees (e.g., 411). Minute Bundles and Calling Credit Bundles expire at the end of month and cannot roll over to the following month. Auto-Purchased Calling Credits expire twelve (12) months from date of purchase. Bundles may not be sold, transferred, assigned, or applied to any other customer.

3. Operator Assisted Calling, 311, 511 and other N11 Calling. RingCentral does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls, 900, or calling card calls). The Services may not support 211, 311, 411, 511 and/or N11 calling in one or more service areas. Additional charges may apply for these calls.

4. Directory Listing Service. RingCentral offers directory listing (the “Directory Listing Service”). If Customer subscribes to the Directory Listing Service, RingCentral will share certain Customer Contact Data with third parties as reasonably necessary to include in the phone directory (“Listing Information”). This information may include, but is not limited to, Customer’s company name, address, and phone numbers. Customer authorizes RingCentral to use and disclose the Listing Information for the purpose of publishing in, and making publicly available through, third-party directory listing services, to be selected by RingCentral or third-party service providers in their sole discretion. Customer acknowledges and agrees that by subscribing to the Directory Listing Service, Customer’s Listing Information may enter the public domain and that RingCentral cannot control third parties’ use of such information obtained through the Directory Listing Service.

i. **Opt Out.** Customer may opt out of the Directory Listing Service at any time; however, RingCentral is not obligated to have Customer’s Listing Information removed from third-party directory assistance listing services that have already received Customer’s information.

ii. **No Liability.** RingCentral will have no responsibility or liability for any cost, damages, liabilities, or inconvenience caused by calls made to Customer’s telephone number; materials sent to Customer, inaccuracies, errors or omissions with Listing Information; or any other use of such information. RingCentral will not be liable to Customer for any use by third parties of Customer’s Listing Information obtained through the Directory Listing Service, including without limitation the use of such information after Customer has opted out of the Directory Listing Service.

5. RingCentral Global Office. RingCentral Global Office provides a single communications system to companies that have offices around the world, offering localized service in countries for which Global Office is available. Additional information related to Global Office Services is available at <http://www.ringcentral.com/legal/policies/global-office-countries.html>. This section sets forth additional terms and conditions concerning RingCentral’s Global Office for customers that subscribe to it.

A. Emergency Service Limitations for Global Office. RingCentral provides access to Emergency Calling Services in many, but not all, countries in which RingCentral Global Office is available, allowing End Users in most countries to access Emergency Services (911 in the United States and Canada, 999/112 in the United Kingdom and throughout the European Union, and any other applicable Emergency Services number). Emergency Services may only be accessed within the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland may dial Emergency Services only within Ireland. Access to Emergency Calling Services in

RingCentral Global Office countries, where available, is subject to the Emergency Services Policy, available at <https://www.ringcentral.com/legal/emergency-services.html>.

Customer must make available and will maintain at all times traditional landline and/or mobile network telephone services that will enable End Users to call the applicable Emergency Services number. Customer may not use the RingCentral Services in environments requiring fail-safe performance or in which the failure of the RingCentral Services could lead directly to death, personal injury, or severe physical or environmental damage.

B. Global Office Provided Only in Connection with Home Country Service. RingCentral provides Global Office Service only in connection with Services purchased in the Home Country. RingCentral may immediately suspend or terminate Customer's Global Office Services if Customer terminates its Digital Lines in the Home Country. All invoicing for the Global Office Services will be done in the Home Country on the Customer's Account, together with other Services purchased under this Agreement, using the Home Country's currency. Customer must at all times provide a billing address located in the Home Country. RingCentral will provide all documentation, licenses, and services in connection with the Global Office Service in English; additional language support may be provided at RingCentral's sole discretion.

C. Relationships with Local Providers. In connection with the provision of RingCentral Global Office Services, RingCentral relies on local providers to supply certain regulated communication services; for example (i) for the provision of local telephone numbers within local jurisdictions; (ii) to enable you to place local calls within local jurisdictions; and (iii) to enable You to receive calls from non-RingCentral numbers on Customer's Global Office telephone number(s), by connecting with the local public switched telephone

network. RingCentral's locally licensed affiliates provide all telecommunications services offered to Customer within the countries in which such affiliates are licensed; in some cases, RingCentral may obtain services from locally licensed providers on Customer's behalf. RingCentral, Inc., is responsible for all contracting, billing, and customer care related to those services.

6. Definitions. Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:

A. "Digital Line" means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits the End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.

B. "End Point" means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

C. "Extension-to-Extension Calls" means calls made and received between End Points on the Customer Account with RingCentral, regardless of whether the calls are domestic or international.

D. "External Calls" means calls made to or received from external numbers on the PSTN that are not on the Customer Account with RingCentral.

E. "Home Country" means the United States or the country that is otherwise designated as Customer's primary or home country in the Order Form.

SERVICE ATTACHMENT B

SERVICE ATTACHMENT – RINGCENTRAL PROFESSIONAL SERVICES AGREEMENT

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide the RingCentral Professional Services to Customer.

In the event of any conflict between the provisions of the Agreement and the provisions of this Professional Services Agreement (the “**PS Agreement**”), such provisions of this PS Agreement will prevail.

1. Service Overview. RingCentral shall provide the implementation, installation, consulting, configuration services and other professional services (“**Professional Services**”) as described and agreed upon in writing between the Parties pursuant to a statement of work (“**Statement of Work**” or “**SOW**”).

2. Project Phases. The Professional Services may be delivered in one or more phases. The SOW will specify the milestone, objectives, Sites, fees and other components that are included in the scope of each phase (“**Project Phase**”). The Professional Services may also be provided on a time and material basis (“**T&M Services**”) paid by the hour based on the then current T&M Services hourly rate offered by RingCentral, as specified in the relevant SOW. Customer agrees that the delivery, installation, testing, acceptance and payment for the Professional Services rendered under any one Project Phase is not dependent on the delivery, installation, testing, acceptance and payment for the Professional Services under any other Project Phase. Each Project Phase will be billed upon Acceptance, and payment for each Project Phase is due in full within the applicable payment period agreed between the parties and is non-refundable.

3. Customer Sites and Site Visits. In the event the Parties agree that the Professional Services must be performed at one or more Customer facility(ies) (“**Site(s)**”), the Site(s) will be separately identified in the applicable SOW. Each visit to a separate Customer Site will be considered a separate “**Site Visit**”. When so stipulated in the SOW, each Site may constitute a Project Phase. Customer has the following obligations with respect to all Site Visits:

- a. Customer will maintain and ensure safe working conditions at each Site and shall promptly inform the RingCentral project manager of any known hazardous conditions at any Site prior to any visit by RingCentral Personnel.
- b. Customer shall ensure that all Site hardware and network environment meets or exceed the requirements set forth in the Statement of Work and in “**RingCentral VoIP Network Requirements and Recommendations**” which can found at: https://support.ringcentral.com/s/article/9233?language=en_US
- c. Customer shall provide RingCentral with all reasonable information, cooperation, and assistance that RingCentral requests in connection with performing the Services, including without limitation providing RingCentral with access to Customer’s systems and networks and related system and network administrators. Any failure on the part of Customer to provide the cooperation requested by RingCentral, or to provide the information or hardware and software environment required, may result in the need for a Change Order to contemplate additional fees and extended timelines to accommodate Customer’s failure to do so.
- d. Customer shall ensure that at least ten (10) business days prior to a Site Visit or as otherwise agreed in the applicable SOW, the Customer Project Manager shall provide to the RingCentral Project Manager the following information for the Site to be visited:

- i. the first and last name, extension number, and email address for delivery of message notification emails of each End User for which the Services are to be implemented at the Site and any other information that RingCentral requests to configure the digital lines that are part of such Services to be implemented (this information needs to be in the form of a Microsoft Excel file suitable for use with the Plan Service’s bulk configuration utility);
- ii. written or illustrated diagrams of Customer’s current and proposed dial plans and data and call flows; and
- iii. information related to configurations, equipment, and deployment requirements for the Site, as requested by RingCentral.

4. Late Site Visit Change. The Parties acknowledge and agree that Customer’s cancellation or change of the dates of a Site Visit at any time during the ten (10) business days immediately prior to the date that the Site Visit is scheduled to take place (a “**Late Site Visit Change**”) will cause RingCentral to incur expenses and losses (including without limitation RingCentral’s costs in rescheduling the Site Visit and/or loss of opportunity for other business during the period during which such Site Visit was to take place). Accordingly, Customer agrees that for each Late Site Visit Change, Customer shall incur (at the time of cancellation or change) and be liable for, as liquidated damages, an amount equal to eight (8) hours of RingCentral T&M Services at RingCentral’s then-current T&M Services hourly rate, as well as any Service Expenses that have already been expended by RingCentral. The Parties acknowledge and agree that this amount is a fair, reasonable, and appropriate pre-estimate of the losses that RingCentral will incur as a result of any single Late Site Visit Change.

5. Professional Services Acceptance. Each SOW will identify the specific criteria required for the completion of each Project Phase (“**Completion Criteria**”). Unless otherwise agreed between the parties in the SOW, upon RingCentral’s completion of the Professional Services for each Project Phase, RingCentral will review the Completion Criteria with Customer and will present to the Customer the Professional Services Project Completion Signoff Form (“**PCF**”) for that Project Phase. Notwithstanding anything to the contrary in this PS Agreement or any SOW, RingCentral’s obligations under any Project Phase are deemed accepted and the Professional Services under such Project Phase shall be considered completed in full and billable upon any of the following (“**Acceptance**”):

- a. **Customer executes the PCF.**
- b. If RingCentral presents Customer with the PCF and the Customer fails to execute the PCF within three (3) days, unless the Customer provides to RingCentral, within those three (3) days, with a detailed description of the items that are outstanding or that are materially non-conforming with the Completion Criteria applicable to the specific Project Phase. If RingCentral timely receives a rejection notice, then RingCentral will complete or re-perform any portion of the non-conforming Professional Services and re-submit the PCF for the Project Phase to the

Customer for Acceptance as described above. If RingCentral timely receives from the Customer a second rejection notice, and RingCentral, in its reasonable discretion determines that the Professional Services for the Project Phase were properly completed in accordance with the Completion Criteria, acceptance of the Project Phase will be deemed to have been occurred.

- c. **Production Use:** Unless otherwise agreed in writing between the parties, production use will constitute Acceptance for all purposes of this PS Agreement.
- d. **T&M Services.** Acceptance for T&M Services, if applicable and used in a SOW, is deemed to have occurred upon performance.

6. Payment

- a. The SOW will set forth the fees that the Customer will pay to RingCentral for each Project Phase, and the rates for T&M Services. Customer will compensate RingCentral fees and expenses for the Services as set forth in the applicable SOW. Customer acknowledges and agrees that all fees and charges shall be due and payable without any deduction, withholding, or offset of any kind, including without limitation for any levy or tax.
- b. **Invoicing and Payment of Professional Services fees.** Except to the extent otherwise provided in a SOW or this Section, all amounts due under this PS Agreement for Professional Services other than T&M Services, shall be invoiced upon Acceptance of each Project Phase. T&M Services will be invoiced Monthly in arrears. The payment term for each invoice is set forth in the Agreement.
- c. **Service Expenses.** In addition to the fees and expenses set forth in the applicable SOW, Customer agrees to reimburse RingCentral for its fixed travel, meal, and lodging expenses incurred in connection with any Site Visit ("Service Expenses"). Travel, meal, and lodging expenses shall be invoiced upon Acceptance of each Project phase, alongside all other amounts due under this PS Agreement, on a per-trip/per resource basis. RingCentral shall, after Customer request, provide information verifying the deployment of on-site resources and expenditure of Service Expenses.
- d. **Additional Fees.** Customer agrees to incur and be liable for any additional fees or other amounts not provided for in this PS Agreement or the applicable SOW. These Additional fees may include, but are not limited to the following:
 - i. For any additional Site Visit(s) not included in the SOW, the Customer agrees to pay on a T&M Services basis, with a minimum fee equal to eight (8) hours of RingCentral per day at the then-current T&M Services hourly rate.

7. Changes to SOWs

Changes to any applicable SOW shall be made only in a mutually executed written change order between RingCentral and Customer (a

"Change Order"), outlining the requested change and the effect of such change on the Services, including without limitation the fees and the timeline as determined by RingCentral in its reasonable discretion. RingCentral shall have no obligation to commence work in connection with any Change Order until the Change Order is agreed upon by both Parties in writing. RingCentral has no obligation to provide any Professional Services outside the scope of an SOW.

8. Enterprise Support

As part of the Professional Services provided, Customer may purchase Enterprise Support services from RingCentral for use with the Services. The terms and conditions that govern the Enterprise Support can be found at: <https://www.ringcentral.com/legal/enterprise-service-attachment.html>.

9. Term and Termination

- a. **Term.** This PS Agreement shall remain in effect for as long as the Agreement is in effect, unless terminated in accordance with this Section.
- b. **Termination.** Either Party may terminate this PS Agreement, in whole or in part, with thirty (30) days' advance written notice to the other Party. Unless otherwise specified in the termination notice, the termination of one SOW or Project Phase shall not necessarily result in the termination of, or otherwise affect, any other SOW or Project Phase.
- c. **Effect of Termination.** In the event that this PS Agreement, a SOW, or a Project Phase is terminated, in whole or in part, for any reason other than for RingCentral's material breach of this PS Agreement, Customer shall be obligated to pay RingCentral for:
 - i. any Professional Services and T&M Services that have been rendered up until the effective date of the termination;
 - ii. all applicable Service Expenses incurred; and
 - iii. (50%) of the fees for any other Professional Services not yet performed, due under the Project Phase(s) being cancelled, if termination of the PS Agreement, SOW, or a Project Phase occurs within one hundred and eighty (180) days of execution of the applicable SOW. If termination occurs after one hundred and eighty (180) days of execution of the applicable SOW, Customer shall owe all outstanding fees for any Professional Services not yet performed pursuant to the SOW, due under the Project Phase being cancelled.
- d. **Post-Termination Notice Wrap-Up.** Upon receiving or providing notice of termination of this PS Agreement, RingCentral shall be relieved of and excused from any obligation to continue to perform Services or to perform under any then-current SOWs or Project Phase.

ATTACHMENT C

SERVICE LEVEL AGREEMENT FOR RINGCENTRAL OFFICE SERVICES

This Service Level Agreement for Office Services (the “Office SLA”) is a part of the Master Services Agreement (the “Agreement”) that includes the Service Availability levels RingCentral commits to deliver on the RingCentral Network for RingCentral Office Services.

1. Overview

RingCentral will maintain the following performance levels:

Performance Level	
Voice Services Availability (Monthly Calculation)	99.999%
Quality of Voice Service (Monthly Calculation)	3.8 MOS Score

2. Minimum Eligibility

Customer is entitled to the benefits of this Office SLA only to the extent that Customer maintains a minimum of fifty (50) Digital Lines under the Office Service Attachment with a minimum twelve (12) month Term. This Office SLA shall not apply to any period of time where Customer does not meet the foregoing requirements.

3. Service Delivery Commitments

a. Calculation of Service Availability for Voice Services

Service Availability = $[1 - ((\text{number of minutes of Down Time} \times \text{number of Impacted Users}) / (\text{total number users} \times \text{total number of minutes in a calendar month}))] \times 100$

Availability shall be rounded to nearest thousandth of a percent in determining the applicable credit. Service Credits for Down Time will not exceed 30% MRC.

b. Calculation of Service Credits

Customer is entitled to the Accelerated Service Credits calculated based on the table below:

b.1 Accelerated Service Credit Table

Voice Service Availability	Service Credits
≥ 99.999 %	0% MRC
≥ 99.500 and < 99.999%	5% MRC
≥ 99.000 and < 99.500%	10% MRC
≥ 95.000 and < 99.000%	20% MRC
< 95.000%	30% MRC

c. No Cumulative Credits

Where a single incident of Down Time affects Office Services and any other Services provided by RingCentral and covered under a separate service level agreement executed between the parties, resulting in Service Credits under both agreements, Customer is entitled to claim Service Credits under one of the agreements, but not for both.

Service Credits to be paid under this Office SLA will be calculated based Customer’s RingCentral Office MRC only and will not include any other fees paid by RingCentral for any other Services, (e.g., Contact Center Services). Service Credits may not exceed the total MRC paid for the relevant Services.

d. Qualifying for Service Credits.

Service Credits for Down Time will accrue only to the extent:

- i. Down Time exceeds 1 minute;
- ii. Customer reports the occurrence of Down Time to RingCentral by opening a Support Case within twenty-four (24) hours of the conclusion of the applicable Down Time period;
- iii. RingCentral confirms that the Down Time was the result of an outage or fault on the RingCentral Network; and
- iv. Customer is not in material breach of the Agreement, including its payment obligations.
- v. Customer must submit a written request for Service Credits to Customer Care within thirty (30) days of the date the Support Case was opened by Customer, including a short explanation of the credit claimed and the number of the corresponding Support Case;

4. Quality of Service Commitments

- a. **Quality of Service Targets.** RingCentral will maintain an average MOS score of 3.8 over each calendar month for Customer Sites in the Territory, except to the extent that Customer endpoints connect via public WiFi, a low bandwidth mobile data connection (3G or lower), or Customer uses of narrowband codecs such as G.729.
- b. **Quality of Service Report:** Customer may request a Quality of Service Report for the preceding calendar month by submitting a Support Case. RingCentral will endeavor to provide the Quality of Service Report within five (5) business days.
- c. **Diagnostic Investigation:** If the Quality of Service Report shows a failure to meet the target 3.8 average MOS as calculated under this Section, RingCentral will use industry-standard diagnostic techniques to investigate the cause of the failure. Customer shall cooperate with RingCentral in this investigation fully and in good faith.
- d. **Diagnostic Remediation.** Based on its investigation, RingCentral will provide a reasonable determination of the root cause(s) of any failure for the quality of service to meet the target MOS of 3.8. RingCentral will resolve any root cause(s) on the RingCentral Network; Customer shall timely implement settings or other resolution advised by RingCentral to improve the quality of service.

5. Chronic Service Failures

- a. **Service Availability:** Customer may terminate the Agreement without penalty, and will receive a pro-rata refund of all prepaid, unused fees in the following circumstances if RingCentral fails to meet a Service Availability of at least 99.9% on the RingCentral Network for Voice Services during any three (3) calendar Months in any continuous 6-Month period, and customer has timely reported Down Time as set forth herein.
- b. **Quality of Service:** Customer may terminate the affected Customers Sites under its Agreement without penalty, and will receive a pro-rata refund of all prepaid, unused fees in the following circumstances if RingCentral fails to meet a minimum 3.5 MOS, as measured in duly requested Quality of Service Reports, for the affected Customer Sites within four (4) months of the date of Customer's initial Support Case requesting a Quality of Service Report, except that such right inures only to the extent that Customer has complied fully and in good faith with the cooperation requirements and timely implemented all suggestions from RingCentral, in RingCentral's sole reasonable judgment.
- c. To exercise its termination right under this Office SLA, Customer must deliver written notice of termination to RingCentral no later than ten (10) business days after its right to terminate under this Section accrues.

6. Sole Remedy

The remedies available pursuant to this Office SLA (i.e. the issuance of credits and termination for chronic service failure) shall be Customer's sole remedy for any failure to meet committed services levels under this Office SLA.

7. Definitions

Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Level Agreement, the following terms have the meanings set forth below:

- a) **"Down Time"** is an unscheduled period during which the Voice Services for RingCentral Office on the RingCentral Network are interrupted and not usable, except that Down Time does not include unavailability or interruptions due to (1) acts or omissions of Customer; (2) an event of a Force Majeure; or (3) Customer's breach of the Agreement. Down Time begins to accrue after one (1) minute of unavailability, per incident.
- b) **"Impacted User"** means a user with a Digital Line affected by Down Time. In the event that due to the nature of the incident it is not possible for RingCentral to identify the exact number of users with a Digital Line affected by Down Time, RingCentral will calculate the Impacted Users on a User-Equivalency basis as defined below.
- c) **"MOS"** means the Mean Opinion Score, determined according to the ITU-T E-model, as approved in June 2015, rounding to the nearest tenth of a percent. MOS provides a prediction of the expected voice quality, as perceived by a typical telephone user, for an end-to-end (i.e. mouth-to-

ear) telephone connection under conversational conditions. MOS is measured by RingCentral using network parameters between the Customer endpoint, e.g., the IP Phone or Softphone, and the RingCentral Network, and will accurately reflect quality of the call to the caller using the Voice Services.

- d) **"MRC"** means the monthly recurring subscription charges (excluding taxes, administrative or government mandated fees, metered billings, etc.) owed by Customer to RingCentral for Office Services for the relevant month. If customer is billed other than on a monthly basis, MRC refers to the pro-rata portion of the recurring subscription charges for the relevant calendar month. MRC does not include one-time charges such as phone equipment costs, set-up fees, and similar amounts, nor does it include any charges or fees for services other than Office Services.
- e) **"Quality of Service Report"** means a technical report provided by RingCentral, detailing MOS and related technical information.
- f) **"RingCentral Network"** means the network and supporting facilities between and among the RingCentral points of presence ("PoP(s)"), up to and including the interconnection point between the RingCentral's network and facilities, and the public Internet, and the PSTN. The RingCentral Network does not include the public Internet, or the Public Switched Telephone Network (PSTN).
- g) **"Service Availability"** is the time for which Voice Services for RingCentral Office are available on the RingCentral Network, expressed as a percentage of the total time in the relevant calendar month, and calculated as set forth above.
- h) **"Service Credits"** means the amount that RingCentral will credit a Customer's account pursuant to this Office SLA.
- i) **"Site"** means a physical location in the Territory at which Customer deploys and regularly uses at least five (5) RingCentral Digital Lines. A Digital Line used outside such physical location for a majority of days in the relevant calendar month, such as home offices, virtual offices, or other remote use, will not be included in the line count for this purpose.
- j) **"Support Case"** means an inquiry or incident reported by the Customer, through its Helpdesk Support, to Customer Care via the designated Customer Care portal.
- k) **"Territory"** means those countries in which Customers subscribes to RingCentral Office or Global Office Services.
- l) **"User-Equivalency"** means the calculation made by RingCentral to estimate the percentage of the Voice Services impacted by the Down Time. RingCentral may use number of calls, network, device information, vendor and customer reports, and its own technical expertise to make these calculations.
- m) **"Voice Services"** means the audio portion of the Services, across endpoints, including the Softphone, and IP desk phone.

ATTACHMENT D

RINGCENTRAL BUSINESS ASSOCIATE AGREEMENT

RingCentral, Inc. and Customer (each a "Party" and collectively the "Parties") hereby agree to the following terms and conditions of this Business Associate Agreement (this "BAA"), which is attached to the RingCentral Master Service Agreement (the "Agreement") and is effective as of the execution date of this BAA (the "BAA Effective Date").

RECITALS

Whereas, Customer has, pursuant to the Agreement, purchased one or more services covered by this BAA listed in Annex A (the "Services");

Whereas, Customer desires to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, along with applicable provisions of the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") and applicable provisions of the Security Standards for the Protection of Electronic Protected Health Information ("Security Rule") (collectively the "HIPAA Rules") and, in compliance with the HIPAA Rules, Customer desires to safeguard Customer's PHI created, transmitted, received, or maintained by Customer using the Customer's Account ("Account");

Whereas, as a business associate (as that term is defined in the HIPAA Rules) RingCentral wishes to accommodate Customer's desire to safeguard PHI that Customer creates, receives, transmits, or maintains using the RingCentral Services, by entering into this BAA, which meets the requirements of 45 C.F.R. §§ 164.314(a) and 164.504(e);

Now, therefore, in consideration of the mutual covenants and representations, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Obligations of RingCentral.** RingCentral agrees:

- a) subject to the provisions of Section 2, to use and disclose Customer's PHI only in connection with the provision of the Services purchased by Customer as part of or related to Customer's Account(s), as required by law, or for any other purpose permitted by the Agreement, or this BAA, provided that RingCentral may not use or disclose Customer's PHI in a manner that would violate the requirements of subpart E of 45 C.F.R. Part 164 if done by Customer;
- b) not to use or further disclose Customer's PHI other than as permitted or required by this BAA, or as required by law;
- c) where required by the HIPAA Rules, to make reasonable efforts to use, disclose, and request only the minimum necessary amount of PHI;
- d) to use appropriate safeguards and comply, where applicable, with subpart C of 45 C.F.R. Part 164 with respect to the protection of Electronic PHI, to prevent use or disclosure of Customer's PHI other than as provided for by this BAA;
- e) to report to Customer any use or disclosure of Customer's PHI not provided for by this BAA of which RingCentral becomes aware, including any breach of unsecured PHI as required by 45 C.F.R. § 164.410, and any security incident involving Customer's PHI of which RingCentral becomes aware; provided, however, that notwithstanding the

foregoing, the Parties agree that this BAA serves as notification, and that no further notification is required, of the ongoing existence of Unsuccessful Security Incidents. For purposes of this BAA, an "Unsuccessful Security Incident" includes, without limitation, activity such as pings and other broadcast attacks on RingCentral's firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such activity does not result in unauthorized access, use, acquisition, or disclosure of Customer's PHI;

- f) to ensure that any subcontractor that creates, receives, maintains or transmits Customer's PHI on behalf of RingCentral agrees to substantially the same restrictions and conditions that apply to RingCentral with respect to such PHI, as required by the HIPAA Rules;
- g) to the extent that RingCentral has been delegated under the Agreement and is to carry out an obligation of Customer under Subpart E of 45 C.F.R. Part 164, RingCentral will comply with the requirement(s) of Subpart E of 45 C.F.R. Part 164 that apply to Customer in the performance of such delegated obligation;
- h) to the extent that: (i) Customer provides advanced written notice to RingCentral that RingCentral will maintain PHI in a "Designated Record Set" as defined in the HIPAA Rules (and with the understanding that the Parties do not intend for RingCentral to maintain PHI in a Designated Record Set); and (ii) the Designated Record Set (if any) maintained

by RingCentral is not duplicative of records maintained by Customer; RingCentral agrees to:

- a. upon receipt of a written request from Customer, make available to Customer to inspect and/or obtain a copy of Customer's PHI maintained by RingCentral in a Designated Record Set, as required under 45 C.F.R. § 164.524, for so long as RingCentral maintains such PHI in a Designated Record Set; and
 - b. upon receipt of a written request from Customer, provide such information to Customer for amendment and incorporate amendments to PHI maintained by RingCentral in a Designated Record Set as agreed to by Customer under 45 C.F.R. § 164.526, for so long as RingCentral maintains such PHI in a Designated Record Set.
- i) to the extent no disclosure exceptions apply under 45 C.F.R. § 164.528, to maintain and to make available to Customer the information required for Customer to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;
 - j) in the event any individual delivers directly to RingCentral a request for an amendment to PHI, access to PHI, or an accounting of disclosures of PHI, to promptly forward such individual request to Customer;
 - k) to make its internal practices, books, and records relating to the Use and Disclosure of Customer's PHI available to the Secretary (as defined in the HIPAA Rules) for purposes of determining Customer's compliance with 45 C.F.R. Part 164, Subpart E; and
 - l) upon termination of this BAA for any reason, if feasible, to return or destroy all PHI received from Customer, or created or received by RingCentral on behalf of Customer, in connection with this BAA, to the extent it has not been already erased, returned or destroyed, and retain no copies thereof, or, if in RingCentral's opinion such return or destruction is not feasible, to extend the protections of this BAA to the PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible.
2. **Permitted Uses and Disclosures of PHI.** Notwithstanding the other provisions of this BAA, RingCentral is permitted to use or disclose Customer's PHI for its proper management and administration of RingCentral services or to carry out its legal responsibilities, provided that RingCentral may only disclose PHI for such purposes if: (i) the disclosure is required by law or (ii) RingCentral obtains reasonable assurances from the person to whom the PHI is disclosed that the information will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies RingCentral when the confidentiality of the PHI has been breached.
3. **Obligations of Customer.** Customer will:
- a) as between the Parties, assume sole responsibility for obtaining any consent, authorization, or permission that may be required by the HIPAA Rules, or any other applicable laws or regulations prior to using the Services to create, receive, maintain, or transmit PHI, or otherwise provide PHI to RingCentral. Without limiting the foregoing,

in the event Customer transmits PHI via text message, or any other method of electronic transmission of PHI (including email or any attachment to email) as part of the Services, Customer agrees to notify the patient whose PHI is to be transmitted that such transmission is not secure and to obtain such individual's consent or authorization, consistent with applicable law, before transmitting any such PHI;

- b) use, disclose, request, and otherwise provide to RingCentral and RingCentral employees only the minimum amount of PHI necessary for RingCentral to provide Services;
 - c) notify RingCentral, in writing, of any limitation(s) in Customer's notice of privacy practices that may affect RingCentral's Use or Disclosure of Customer's PHI;
 - d) notify RingCentral, in writing, of any changes in, or revocation of, permission by an individual to use or disclose any of his or her PHI, to the extent that such changes may affect RingCentral's Use or Disclosure of Customer's PHI;
 - e) notify RingCentral, in writing, of any restriction on the use or disclosure of PHI that Customer has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect RingCentral's use or disclosure of Customer's PHI; and
 - f) not request that RingCentral use or disclose Customer's PHI in a manner that would not be permissible under the HIPAA Rules if done by Customer.
4. **Effect of Limitations and Restrictions.** The Parties agree that in the event RingCentral believes that any limitation(s) or restriction(s) on the use or disclosure of PHI disclosed by Customer pursuant to Section 3 may materially impair RingCentral's ability to provide Services or materially affect RingCentral's costs of providing Services, the Parties will promptly negotiate in good faith an amendment to Agreement that is necessary to adjust RingCentral's obligations and/or reflect RingCentral's increased costs. In the event such negotiations are unsuccessful, RingCentral may terminate this BAA and the Agreement without penalty or further obligation to RingCentral.
5. **Customer Integrations.**
- a) Notwithstanding any provision to the contrary in any agreement between the Parties, this BAA applies only to Services offered by RingCentral as described in Annex A.
 - b) Pursuant to the limitations contained in the Agreement between the Parties and applicable RingCentral policies, Customer may choose to, at its own risk, use third party or Customer's own applications, services, devices, APIs, or any other technology (whether utilized by Customer or a third party on behalf of Customer and whether implemented by RingCentral or not) which integrate with the Services or that transfer data to or from the Services ("**Customer Integrations**").
 - c) Customer understands and agrees that Customer Integrations are outside the scope of the Parties' primary agreement and of this Business Associate Agreement.
 - d) Notwithstanding any provision to the contrary in any

agreement between the Parties, RingCentral has no responsibility or liability for, and disclaims any warranties or representations relating to, any Customer Integrations.

- e) For the avoidance of doubt, RingCentral will have no obligations or liability for the privacy, security, confidentiality, availability, or integrity of any Customer Integrations, or any PHI or other data processed, handled, sent, stored, created, received, maintained, or transmitted in connection with any Customer Integrations or through any applications, services, devices, APIs, or any other technology not provided within RingCentral Services.
6. **Term.** The term of this BAA (the "**BAA Term**") commences on the BAA Effective Date and runs conterminously with the term of the Agreement, unless sooner terminated by either Party in accordance with Section 7.
7. **Termination.**
- a) **Automatic BAA Termination.** Termination or expiration of the Agreement for any reason will result in the termination of this BAA.
- b) **Direct BAA Termination.** In the event that either Party violates a material term of this BAA, the other Party may terminate the BAA, provided that the non-breaching Party provides written notice to the breaching Party of such breach and provides the breaching Party with an opportunity to cure the breach or end the violation. If such violation is not cured within thirty (30) days, the non-breaching Party may terminate this BAA. In the event that the BAA is terminated pursuant to this section, either Party may terminate the Agreement.
8. **Miscellaneous.**
- a) **Definitions.** All capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. Subject to the immediately foregoing sentence, any other terms that are not defined in this BAA or the Agreement but that are defined under the HIPAA Rules have the same meaning as defined under the HIPAA Rules. For purposes of this BAA, "**PHI**" means "protected health information" as that term is defined in the HIPAA Rules, limited to such information created, received, maintained, or transmitted by RingCentral for or on behalf of Customer.

- b) **No Third Party Beneficiaries.** Nothing in this BAA, express or implied, is intended to confer or will confer upon any person or entity other than the Parties any right, benefit, or remedy as a third party beneficiary or by any other nature whatsoever under or by reason of this BAA.
- c) **Notices.** All notices or other communications to be given under this BAA are deemed given when emailed.

To Customer: The postal and email address on file at the time of notice for an Account

To RingCentral: RingCentral, Inc.
Attn.: Legal Department
20 Davis Drive
Belmont, California 94002
HIPAA@ringcentral.com

- d) **Modification.** No modification or amendment of this BAA will be effective unless set forth in a document specifically referencing this BAA that is executed by both Parties.
- e) **Counterparts.** This BAA may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- f) **Entire Agreement.** RingCentral will be bound by the terms of this BAA only to the extent that: (i) Customer is a "Covered Entity" or "Business Associate" (as these terms are defined in the HIPAA Rules) pursuant to HIPAA; and (ii) RingCentral is acting as Customer's "Business Associate" (as that term is defined in the HIPAA Rules) pursuant to HIPAA. This BAA, together with the Agreement, states the entire understanding and agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior and contemporaneous understandings or agreements, written or oral, regarding such subject matter.

ANNEX A

LIST OF RINGCENTRAL SERVICES COVERED BY THIS BAA

If purchased, the following Services are covered by this BAA:

- RingCentral Office
- RingCentral Contact Center
- RingCentral Video (RCV)

Agenda – City of Pontiac Telecommunication Strategy

- Review Current Telecommunications System
- Review New Telecommunication Strategy
- Review New Estimated Costs
- Next Steps

Telecommunications > Today



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Telephone System
In City Hall



City Hall

Dedicated Line through AT&T



Court

Current ShoreTel IP PBX (phone system)

- The Phone system the City is using as of now is nearly 10 Years old.
- The system was the state of the art 10 years ago.
- New technologies have emerged.
- Communications have improved and become less costly with added features.

Current Telecom System Components

- Dated ShoreTel IP PBX and AT&T Voice SIP trunk are used for processing phone calls. It's capable of handling 46 concurrent calls.
- We currently have approximately 106 ShoreTel IP phones.
- ShoreTel system is at capacity today.
- 16 Fax lines used for faxes, these fax lines serve Court and the City Hall.
- 100Mbps AT&T Internet connection at City Hall.
- 50Mbps AT&T connection between City Hall and District Court.

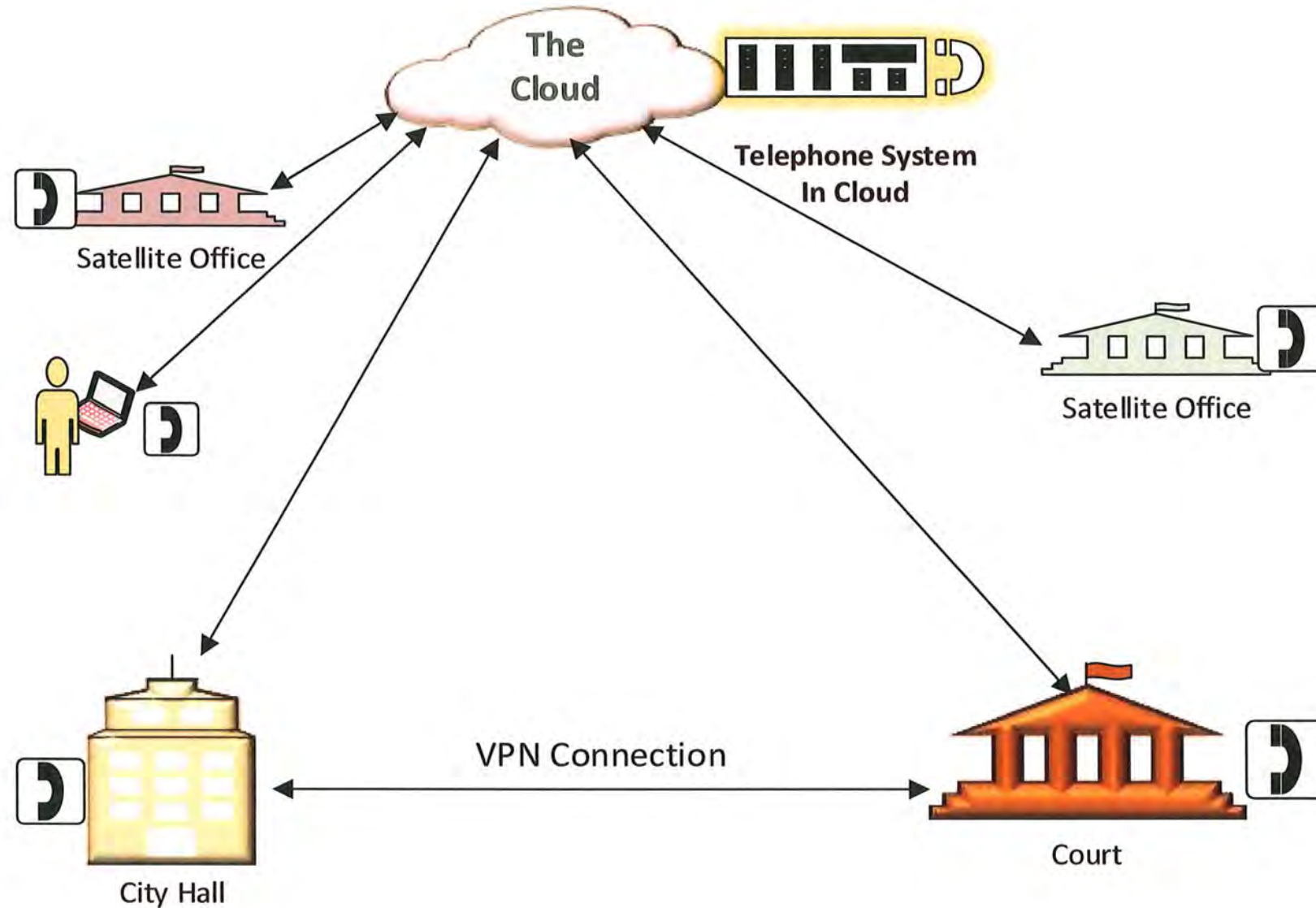
The Cloud

- The Cloud is consumption based (usage) for technology resources from Companies like Microsoft, Google, Amazon and many others.
- Hardware is provided and maintained by the Cloud providers instead of locally at the customer location.
- Many organizations are migrating to Cloud Services.
- UCaaS is a cloud based unified communications as a service solution that will save the City money and add many new features.
- We have contacted several companies, and thoroughly evaluated these new emerging technologies.

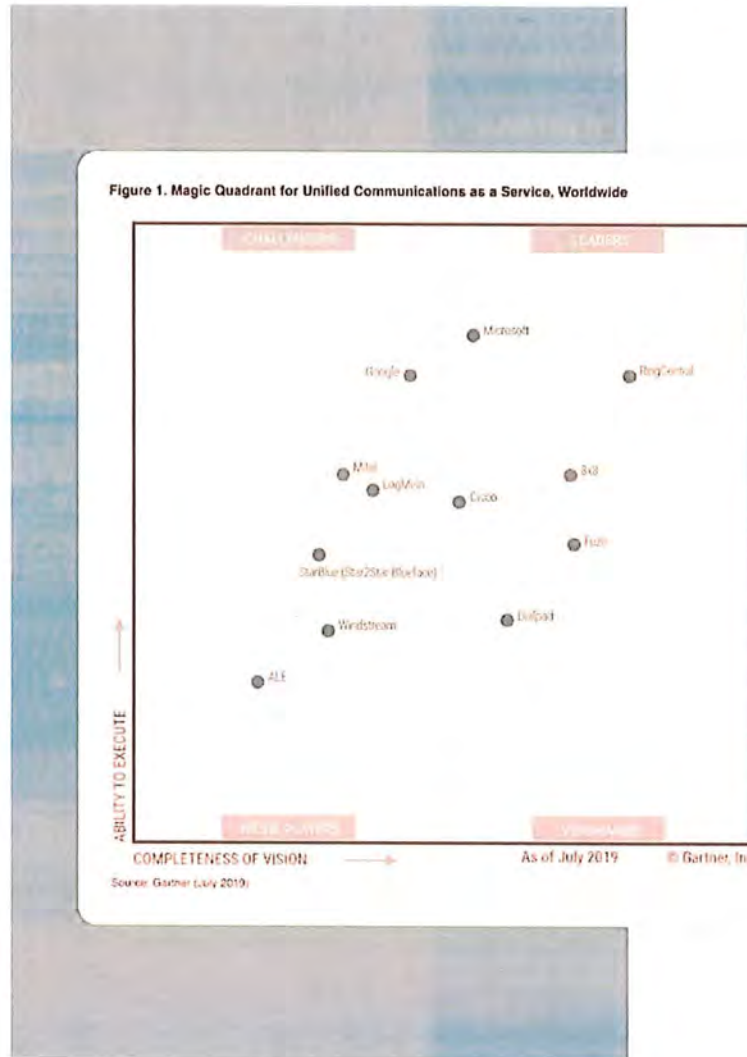


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New Cloud Communication System



Ring Central – Market Leader in Cloud Communications



GARTNER

A Leader in the 2019 Gartner Magic Quadrant for Unified Communications as a Service, Worldwide leadership

This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request from RingCentral. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. Gartner, Magic Quadrant for Unified Communications as a Service, Worldwide, Daniel O'Connell, Megan Fernandez, Rafael Benitez, Christopher Trueman, Sebastian Hernandez, 30 July 2019.

RingCentral

Evaluation Process

- Key Criteria

- ✓ On-Premise or Cloud based
- ✓ Cost Effective
- ✓ Telecommunication Costs
- ✓ Easily scalable to allow for City demands
- ✓ Ease of Management & Administration (lower cost of management)
- ✓ Supports mobility and integration with future solution (Microsoft 365)
- ✓ Availability and Redundancy
- ✓ Security
- ✓ Reporting & Audit

Evaluation Process

- Market Solutions Evaluated
 - On Premise
 - Cisco UC – Upper left on magic quadrant, market share leader for on-premise
 - Cloud (UCaaS)
 - 8 x 8 – Gartner Magic Quadrant, upper right quadrant
 - RingCentral - Gartner Magic Quadrant, **leader** in upper right quadrant
 - Evaluated all 3 solutions based off key criteria
 - RingCentral was the best solution for City
 - RingCentral is a partner with AT&T

Pure cloud advantages



On-premises/managed communications services



- PBX hardware & software
- Upgrades
- Web meetings
- Audio conferencing
- Fax
- Telco (PRIs, T1s)
- Local, long distance, toll free
- Multi-location (MPLS, PSTN)
- PBX parts
- Outside services

Pure Cloud UCaaS



All-inclusive user pricing,
Uniform user experience

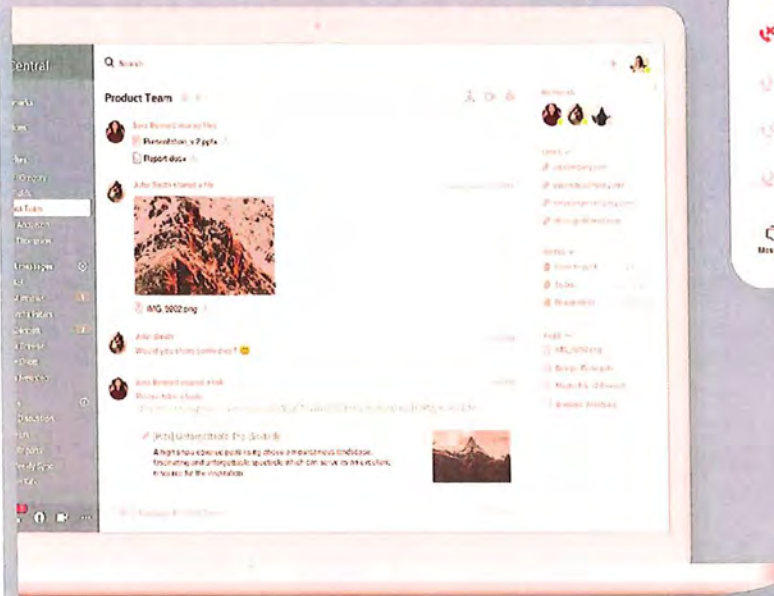
- Innovation
- Agility
- Speed
- Flexibility
- Efficiency

RingCentral solution

- Single “pane of glass” for all communication streams
- Intuitive User & Management Interface
- Open & Integrated Platform
- Industry Leading Reliability – 99.999% uptime SLA
- World-Class Professional Services & Customer Support

CITY OF
Pontiac
MICHIGAN

CALL



“Hello” never sounded this good.

Enterprise-grade cloud PBX

Mobile and desktop apps

Toll free, vanity, and local numbers

Extensions

Smart routing

IVR self-service

QoS Analytics

Global, secure, reliable

New Telecommunication System Components

- ✓ City Hall will have its own Internet connection of 100Mbps
- ✓ District Court will have its own internet connection of 100Mbps
- ✓ On-Board RingCentral UCaaS Cloud provider for collaboration IP phone system will cost approximately \$26,000/year for services only. New phones and implementation are additional one-time costs.
- ✓ No annual maintenance fees.
- ✓ System is maintained by RingCentral, administered by City IT team.
- ✓ IT has budgeted \$125k for FY20/21 for new system.

New Solution – Estimated Costs

Description	Current Costs - Annually	Projected Annual Cost – UCaaS
AT&T/ShoreTel Costs	\$93,000	
AT&T Costs - New		\$30,000
Ring Central - New		\$26,000
Totals	\$93,000	\$56,000
Annual Estimated Savings		\$37,000

One Time Costs	Estimated Cost
New Phones & Implementation Costs	\$33,000
** IT has budgeted \$125,000 for FY20/FY21 for this project	

Telecommunication Strategy

✓ Next Steps

- ✓ Gain Approval from Executive Team
- ✓ Gain Approval from City Council

Thank you for meeting with us Today!



#5

RESOLUTION

OFFICIAL MEMORANDUM

TO: Honorable City Council President Williams and City Council Members
FROM: Mayor Deirdre Waterman, City Attorney Anthony Chubb, Legal Counsel
Matthew Gibb
DATE: November 25, 2020
RE: **Resolution Regarding the City Clerk's Medical Marihuana Obligations**

The purpose of this memorandum is to formally request the Council direct preemptive action of the Clerk in completing Medical Marihuana Application issues. As such, the following resolution is recommended for your consideration:

Whereas, the residents of the City of Pontiac passed a voter-initiated Ordinance in August of 2018 to authorize medical marihuana facilities within the City; and

Whereas, that Ordinance makes the City Clerk responsible for the review, grading, and approval /denial of medical marihuana facility applications including both provisioning center and growth/transport applications; and

Whereas, the City Clerk has been provided the opinion and direction of the City Attorney and Special Legal Counsel, indicating the appropriate process and action to be taken to complete certain applications under existing law and ordinance; and

Whereas, the Clerk has failed to follow the advice and direction of the City Attorney and Special Legal Counsel, resulting in communication that presents an exposed threat to the legal standing of the City of Pontiac; and

Whereas, The Clerk has publicly responded to legal opinion letters and communication from third parties, which are acts outside of the duties of the office and that office is therefore unlikely to be afforded the protections and representations of the City's immunity and liability coverage; and

Whereas, pursuant to Charter Section 3.111, the City Clerk is appointed and subject to over-sight of performance by the City Council; and

Whereas, the City Administration hereby requests that the City Council exercise its authority and enforce proper performance of duties by the City Clerk pursuant to Ordinance and Charter and further acknowledge and adhere to opinion and direction provided by the City Attorney.

Now, Therefore Be It Resolved, that the City Council directs the City Clerk to:

- (1) Review all medical marihuana facility applications in a manner consistent with the advice of the City Attorney and Special Legal Counsel; and*
- (2) Issue notice to any affected applicants of the status of that application, affording the applicant an opportunity to proceed under the Section 3.1106 of the Ordinance; and*
- (3) Provide a statement, approved by Robert Huth, that all applications are being consistently and wholly reviewed, and will be completed by March 30, 2021.*

ATTORNEY-CLIENT PRIVILEGED MEMORANDUM

TO: Pontiac City Council
CC: Mayor Deirdre Waterman
FROM: Anthony K. Chubb, Esq.
DATE: January 12, 2021
RE: Notice of Potential Legal Action / Glenwood

Attorneys for the City have repeatedly advised this honorable Council that the Interim Clerk's refusal to follow the advice of counsel is likely to result in substantial legal liability for the City.

Please see the attached notice that was received by the City on January 7, 2021. Therein, attorneys for Rubicon Capital, which is developing the Glenwood site with marihuana grow operations using a Conditional Rezoning as approved by the Pontiac City Council, notes that failure of the Clerk to act on their applications could result in damages of up to \$137,000,000.

On December 1, 2020, the Mayor provided a resolution in the City Council Agenda that would reaffirm the Interim Clerk's obligations to follow the guidance of the City Attorney, and to move forward with the processing of all pending applications. This Council rejected the resolution with a 4-2 vote. I have attached that resolution for your reconsideration.

At the City Council meeting to be held this evening, the Mayor will request that a Closed Session be added to the Agenda to discuss this memorandum and the damages asserted by Rubicon Capital.

Should you have any questions or concerns, please do not hesitate to contact me.

ATTACHMENTS



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President Williams and City Council Members
FROM: Mayor Deirdre Waterman, City Attorney Anthony Chubb, Legal Counsel Matthew Gibb
DATE: November 25, 2020
RE: **Resolution Regarding the City Clerk's Medical Marihuana Obligations.**

The purpose of this memorandum is to formally request the enforcement of the City Clerk's Medical Marihuana Obligations.

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

Whereas, the residents of the City of Pontiac passed a voter-initiated Ordinance in August of 2018 to authorize medical marihuana facilities within the City; and

Whereas, that Ordinance makes the City Clerk responsible for the review, grading, and approval /denial of medical marihuana facility applications including both provisioning center and growth/transport applications; and

Whereas, the applications have been in the possession of the City Clerk for over a year without any application being either fully processed or receiving any form of decision; and

Whereas, the City's internal staff is not receiving complete applications, such that the application may be fully reviewed; and

Whereas, the City Clerk has rejected the opinion and direction of the City Attorney, indicating his intent to withhold the grant of licensure of certain applications in direct violation of the advice and direction of the City Attorney; and

Whereas, pursuant to Charter Section 3.111, the City Clerk is appointed and subject to over-sight of performance by the City Council; and

Whereas, the City Administration hereby requests that the City Council exercise its authority and enforce proper performance of duties by the City Clerk pursuant to Ordinance and Charter and further acknowledge and adhere to opinion and direction provided by the City Attorney.

Now, Therefore Be It Resolved, that the City Council directs the City Clerk to:

- (1) Review all medical marihuana facility applications in a manner consistent with the advice of the City Attorney;*
- (2) Provide City staff and legal counsel complete applications for review;*
- (3) Complete review of all pending medical marihuana grow and processing applications by December 18, 2020; and*
- (4) Complete review of all medical marihuana dispensary applications not later than January 29, 2020.*



THE WEIKERT
LAW FIRM

January 7, 2021

Via Electronic Mail

Mayor Waterman
Councilwoman Waterman
Councilwoman Taylor Burks
Councilwoman Pietila
Councilman Carter
Councilwoman Miller
Councilwoman Shramski
Councilman K. Williams

**Re: *Rubicon Real Estate Holdings, LLC/City of Pontiac 7 & 9 Glenwood Avenue
Parcels 64-14-21-383-011 & 12***

Dear Mayor and City Council Members:

As you are undoubtedly aware, I represent Rubicon Real Estate Holdings, LLC with respect to this matter. My client and I have been closely monitoring the situation with respect to the issuance of licenses to my client's two anchor tenants, Family Rootz and Pharmaco Inc.; who have submitted grower and processor applications for approval to the Pontiac interim city clerk, Garland Doyle. In addition, my client and I watched the special presentations of Matthew Gibb, Special Counsel For Economic Development, and Mr. Garland Doyle at the council meeting held on January 5, 2021. We have also reviewed the written materials provided to city council as part of the presentations. Simply put, Mr. Doyle's position in this matter is untenable and unless an immediate resolution of this matter is reached, my client has instructed me to pursue any and all legal remedies available.

My client entered into a purchase agreement for the Glenwood Avenue parcels on March 27, 2019. It is well-settled that the execution of a purchase agreement transfers an interest in property. See *Graves v. American Acceptance Mortgage Corp. (On Rehearing)*, 469 Mich. 608, 614, 677 N.W.2d 829 (2004); *Stevens v. DeBar*, 229 Mich. 251, 253, 200 N.W. 978 (1924); *Zurcher v. Herveat*, 238 Mich.App. 267, 291, 605 N.W.2d 329 (1999); *Pittsfield Charter Twp. v. City of Saline*, 103 Mich.App. 99, 103, 302 N.W.2d 608 (1981). Thereafter, my client made application for a Zoning Map Amendment and the application was processed in accordance with the requirements of the Michigan Zoning Enabling Act; as well as Pontiac City Ordinances. The

application culminated in the January 21, 2020 Resolution 20-29 from Pontiac City Council, approving the Planning Commission recommendation for the Zoning Map Amendment request for the parcels amending the current site zoning, C-1 Local Business, to C-3 Corridor Commercial and M-1 Light Manufacturing with CR Conditional Zoning. ("Resolution"). The Resolution also permits medical marihuana facilities to be located within the M-1 Light Manufacturing zoned areas of the site. In reliance upon the Resolution, my client purchased the parcels on February 27, 2020 and thereafter entered into agreements to finance the development of the parcels and for beneficial lease agreements with tenants.

Mr. Doyle indicates that he is unable to issue the licenses to my client's anchor tenants because Medical Marihuana Grower and Medical Marihuana processor "... uses are not permitted outside the Cesare Chavez and Walton Blvd Medical Marihuana Overlay Districts". Mr. Doyle cites Pontiac City Ordinance 2363 Sections 2.545 and 2.546 for his position. The problem with Mr. Doyle's position is two-fold. First, it completely ignores that the entire purpose of rezoning is to allow a use that would otherwise be prohibited, pursuant to an existing zoning ordinance. Second, Mr. Doyle's conclusion completely ignores Pontiac City Ordinance 2361 Section 3.1106. Section 3.1106 states:

Medical marihuana uses outside the Medical Marihuana Overlay Districts are subject to Planning Commission approval following the standards for approval of Section 6.303 for special exception permits, and Article 2, Chapter 5, Development Standards for Specific Uses.

In fact, Mr. Doyle never even addresses the application of Pontiac City Ordinance 2361 Section 3.1106 to this matter! Medical Marihuana uses are defined in Pontiac City Ordinance 2361 Section 3.1102 and lists: Provisioning center; Safety compliance facility, Secure transporter, ***Grower***, and ***Processor***. If the intent of the ordinance was that Growers and Processors could never be located outside of the Medical Marihuana Overlay Districts, then Ordinance 2361 Section 3.1106 would identify only those specific uses that could be maintained outside of the Medical Marihuana Overlay Districts or would have specifically excluded Growers and Processors. Ordinance 2361 Section 3.1106 does not do this. Instead, it uses the all-inclusive "Medical marihuana uses", which as previously stated, includes Growers and Processors pursuant to Ordinance 2361 Section 3.1102. Consequently, it is clear that Pontiac City Ordinance 2361 contemplates Growers and Processors outside of the Medical Marihuana Overlay Districts. Simply put, Mr. Doyle's position is void of any legal merit and there is no basis for Mr. Doyle refusing to issue licenses based upon his flawed perception.

Notwithstanding that a text amendment to the ordinance is completely unnecessary, Mr. Doyle is also incorrect that an ordinance amendment can resolve this impediment to licensing of his own making. As Mr. Gibb correctly stated during his presentation of January 5, 2021, zoning amendments cannot be applied retroactively. This is well settled in Michigan law, as cited by Mr. Gibb in his presentation materials. Any attempt of a zoning amendment as a "cure" to the imaginary licensing issue that Mr. Doyle has created is pure folly.

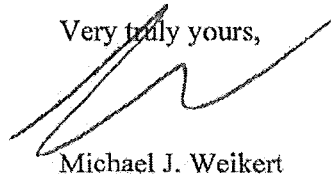
Mr. Doyle, during his recent presentation to City Council and in the provided materials, tries to argue that my client somehow did not have standing to pursue rezoning due to the fact that

it did not own the property on the date the Resolution was passed. This is pure and utter nonsense. As stated above, my client obtained an interest in the parcels when it entered into a purchase agreement on March 27, 2019. Again, I would direct your attention to *Graves v. American Acceptance Mortgage Corp. (On Rehearing)*, 469 Mich. 608, 614, 677 N.W.2d 829 (2004); *Stevens v. DeBar*, 229 Mich. 251, 253, 200 N.W. 978 (1924); *Zurcher v. Herveat*, 238 Mich.App. 267, 291, 605 N.W.2d 329 (1999); *Pittsfield Charter Twp. v. City of Saline*, 103 Mich.App. 99, 103, 302 N.W.2d 608 (1981). "The property owner, *someone with an interest in the property* or, less often, the legislative body or planning commission of the municipality may initiate the process to amend the zoning ordinance." Michigan Zoning, Planning and Land Use, Chapter 3, Section 3.1 (Emphasis Added). "There are two types of amendments—text amendments and rezonings." Michigan Zoning, Planning and Land Use, Chapter 3, Section 3.2. Further, Michigan case law is replete with cases dealing with a potential buyer, pursuant to a purchase agreement, applying for rezoning prior to closing on property and taking ownership. In fact, land purchase agreements often contain contingencies which indicate that the obligation of the purchaser to close on the property is contingent upon the purchaser being able to rezone the property for a use contemplated by the purchase agreement that would otherwise be prohibited under the zoning existing at the time of entry into the purchase agreement. I would challenge Mr. Doyle to present any case law that stands for the proposition that a buyer with an interest pursuant to a purchase agreement does not have the ability to apply for rezoning of a property. I assure you that he will not be able to produce any such case law.

My client has been extremely patient in awaiting the required resolution to this matter and the issuance of the licenses for the anchor tenants. Time has now run out and my client can no longer afford to patiently await a resolution. My client's lender is refusing to disburse any loan funds for development, totaling \$45,000,000.00, until such time as the aforementioned licenses are issued and my client is incurring astronomical costs associated with the delay in development. In addition, my client is now in a position that would allow Pharmaco, Family Rootz, and Hollywood Market to terminate their lease agreements. The Pharmaco lease is a 15 year lease with \$37,500,000.00 in total. rent. The Family Rootz lease will produce \$9,000,000.00 to \$12,000,000.00 annually in revenues for 3-4 years with a purchase agreement in place with a \$25,000,000.00 sale price. Finally, Hollywood Market has a 10 year lease with my client with annual revenues totaling \$1,500,000.00 over the 10 year period. These damages do not include the purchase price, as the property was purchased upon reliance of the Resolution, totaling \$7,000,000.00.

My client hereby demands that the City of Pontiac direct Mr. Doyle to issue the aforementioned licenses immediately. If the licenses are not issued forthwith, I will pursue all available legal remedies on behalf of my client. I certainly hope that this action will be unnecessary.

Very truly yours,



Michael J. Weikert



THE WEIKERT
LAW FIRM

January 12, 2021

Via Electronic Mail

Mr. Garland S. Doyle
Interim City Clerk
City of Pontiac

**Re: Rubicon Real Estate Holdings, LLC/City of Pontiac 7 & 9 Glenwood Avenue
Parcels 64-14-21-383-011 & 12**

Dear Mr. Garland:

I am in receipt of your letter sent via electronic mail on January 8, 2021. I have reviewed said letter and still am unable to understand what the legal basis is for your refusal to issue the licenses to my client's anchor tenants. Frankly, it appears that you are attempting to substitute your judgment for that of the City Planning Commission, as well as the City Council that issued the January 21, 2020 Resolution 20-29. In addition, it appears that you are making legal conclusions in contradiction to the sound legal analysis of Matthew Gibb, Special Counsel for Economic Development and Anthony Chubb, Pontiac City Attorney.

Your entire analysis is fatally flawed in that it completely ignores the purpose and principals behind rezoning. ***The whole purpose of rezoning is to allow a use, that would otherwise be prohibited by an existing zoning ordinance, to take place.*** A simple example, and one that happens all the time, would be a landowner that acquires property that is zoned residential but wants to use the property for a commercial purpose. The landowner seeks rezoning for the commercial use. If the landowner's rezoning bid is successful, that landowner would be able to use the property for a commercial purpose ***despite the fact*** that the zoning ordinance prohibits the property from a commercial use because it is located in a district zoned residential. There is nothing different presented in the scenario at issue.

I agree with you that the zoning ordinance prohibits Medical Marihuana Growers and Processors from being located outside of the Cesar Chavez and Walton Blvd. Medical Marihuana Outlay Districts. As such, my client was required to pursue rezoning of the property so that its tenants could grow and process outside of the aforementioned overlay districts. Again, this is the whole purpose of rezoning. My client's use of the property was one that would not be permitted under the existing zoning ordinance, so my client sought and was granted rezoning to allow the

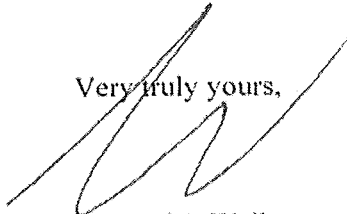
use. Had my client simply sought a special exemption permit *without* seeking rezoning, I would be more inclined to agree with your flawed analysis. However, this is not the case.

When discussing zoning amendments, “[t]here are two types of amendments—text amendments and rezonings.” Michigan Zoning, Planning and Land Use, Chapter 3, Section 3.2. Either type of zoning amendment can be used to address a zoning issue. My client sought rezoning, which was granted. Your solution, as set forth in your letter, is a text amendment; which is unnecessary for my client has already received a resolution granting rezoning. Furthermore, as Mr. Gibb and I have advised City Council, zoning text amendments cannot be applied retroactively. Consequently, a text amendment at this point would be futile.

I cannot fathom the reasoning behind your vociferous opposition to issuing my client’s anchor tenants the grower and processor licenses by attempting to use the zoning ordinance as a shield. It seems to me that there must be some other agenda at play here. I am also deeply troubled by the fact that you are attempting to substitute your contradictory legal analysis, as you are not an attorney, for that of the attorneys the City of Pontiac has engaged to legally opine on these matters.

I would certainly hope that you will revisit your conclusions in this matter and issue the licenses to my client’s anchor tenants. Your continued adherence to very flawed legal analysis is putting both the City of Pontiac and you as interim clerk in legal peril.

Very truly yours,



Michael J. Weikert

Cc: Mayor Waterman
Pontiac City Council
Mr. Matthew Gibb, Esq.
Mr. Anthony Chubb, Esq.



CITY OF PONTIAC
DEPARTMENT OF ECONOMIC DEVELOPMENT
47450 Woodward, Pontiac, MI 48342

January 8, 2021

Honorable Mayor Waterman
Members of City Council

Via Electronic Delivery by the City Attorney

Re: Legal Status and Implications
Medical Marijuana

Madam Mayor and Council,

On Tuesday January 5, 2021 I was unable to complete my presentation on the land use and legal implications of the current status of medical marijuana applications pending with the City. These concluding remarks are important as they summarize the steps that can be accomplished to safeguard the City and how the ongoing ex parte communications and lay opinions are jeopardizing the City.

Knowing that the conditional rezoning applications approved by the Council vest an equity right in property within the City, and knowing that any alteration to an ordinance in the City cannot have a retroactive effect on those rights, my presentation intended to conclude with a strong recommended solution:

1. The Clerk can issue a notice to an affected applicant that their application is compliant, but for the ordinance requirement of a special exemption permit in Section 3.1106.
2. The applicant can avail itself of the process in Section 3.1106, and under the policies and ordinances of the City, seeking an SEP.
3. If awarded a SEP, the Clerk can make a final award.

We had previously thought that the Clerk would issue a notice stating compliance, but that the land use for the property was in question. This approach is not necessary as the ordinance allows for the remedy sought by Council and the Administration and the law provides remedy to the question of land use.

My presentation was to also end with a request that the release of newsletters and other communication that contains opinion that is incorrect or not in accord with the defensible positions of the City cease. These communications can, and would, be used in any legal

proceeding against the City, and are often cited by the court as causing damage when a party relies on the statements. One of the only areas where a court rejects general immunity is where people with apparent authority provide direction and opinion that is incorrect but subsequently relied upon.

Since the timing of my presentation at Council, the City has received a lengthy, and very accurate, legal opinion from counsel for one of the equity interests that received City Council approval of a conditional rezoning. This letter is exactly what was hoped to be avoided by the above steps.

The City, including the administration and the Council, must read this letter for what it is, a clear outline of the legal action that may be burdened upon the city, the reason it may be successful under the law, and most importantly a clear outline of the known damages. Unfortunately, time is now of the essence and I am hopeful that the content and conclusions in my presentation are taken for what they are, a clear statement of law and implication facing the City. The deferral of this for any other course of action than to complete the review and award of medical marijuana licenses is now a direct exposure to the City.

Thank you for your time and attention to this matter,

Sincerely,



Matthew Gibb
Special Counsel for Economic Development
mgibb@pontiac.mi.us
(248) 464-0307

cc. Rob Huth
Jill Bahm
Garland Doyle

#6

RESOLUTION



CITY OF PONTIAC
Department of Building & Safety
Planning & Zoning Division
47450 Woodward Ave | Pontiac, Michigan 48342

Mayor Deirdre Waterman

TO: HONORABLE MAYOR WATERMAN, COUNCIL PRESIDENT WILLIAMS & PONTIAC CITY COUNCIL

FROM: VERN GUSTAFSSON, PLANNING & DEVELOPMENT MANAGER

SUBJECT: RESOLUTION TO ADOPT 2021-2025 PONTIAC PARKS & RECREATION MASTER PLAN

DATE: JANUARY 21, 2021

As you know on January 20, 2021, the Pontiac Planning Commission held a Public Hearing on the 2021-2025 Pontiac Parks & Recreation Master Plan with a nine-day published notice. So far, we have met and exceeded all public comment requirements of the Michigan Department of Natural Resources (MDNR); *Guidelines for the Development of Community Park and Recreation Plan.*

"...The second means of soliciting public input is an advertised public hearing (held after the 30-day public review period). This meeting can be held as part of the meeting of a planning committee such as a park and recreation commission or a meeting of the governing body or it can be held as a single topic public hearing. The public hearing must occur prior to passing a resolution for adoption by the highest governing body"

Following the Public Hearing the Planning Commission make a motion to approve the 2021-2025 Parks & Recreation Master Plan. The only item that remains is for the Pontiac City Council to adopt the Plan.

The final draft of the 2021-2025 Parks & Recreation Master Plan can be viewed at:
www.Pontiac.Mi.Us/P&RMasterPlan



CITY OF PONTIAC
Department of Building & Safety
Planning & Zoning Division
47450 Woodward Ave | Pontiac, Michigan 48342

Mayor Deirdre Waterman

2021-2025 City of Pontiac Parks and Recreation Master Plan
City of Pontiac, Oakland County, Michigan

Resolution for Adoption

WHEREAS, the City of Pontiac has undertaken a planning process to determine the recreation and natural resource conservation needs and desires of its residents covering a five-year period for the years 2021 through 2025, and

WHEREAS, the City of Pontiac began the process of developing a citywide recreation plan in accordance with the most recent guidelines developed by the Department of Natural Resources that were made available to local communities, and

WHEREAS, residents of the City of Pontiac were provided with a well-advertised opportunity during the development of the draft plan to express opinions, ask questions, and discuss all aspects of the Parks and Recreation Master Plan, and

WHEREAS, the public was given a well-advertised opportunity and reasonable accommodations to review the final draft plan for a period of at least 30 days, and

WHEREAS, a public hearing was held on January 20, 2021 at a virtual Pontiac Planning Commission meeting to provide an opportunity for all residents of the planning area to express opinions, ask questions, and discuss all aspects of the 2021-2025 City of Pontiac Parks and Recreation Master Plan, and

WHEREAS, the City of Pontiac has developed the plan as a guideline for improving recreation and enhancing natural resource conservation for the City of Pontiac, and

WHEREAS, the Pontiac City Council voted to adopt the 2021-2025 City of Pontiac Parks and Recreation Master Plan on January 26, 2021.

NOW, THEREFORE BE IT RESOLVED the Pontiac City Council hereby adopts the 2021-2025 City of Pontiac Parks and Recreation Master Plan.

#7

RESOLUTION



CITY OF PONTIAC
Department of Building Safety & Planning
Planning Division

Mayor Deirdre Waterman

TO: HONORABLE MAYOR WATERMAN, COUNCIL PRESIDENT WILLIAMS & PONTIAC CITY COUNCIL

FROM: VERN GUSTAFSSON | PLANNING & DEVELOPMENT MANAGER

**SUBJECT: ZMA 20-07 ZONING MAP AMENDMENT
TERENCE ANDERSON
729 LINDA VISTA | PIN: 64-14-21-451-002
R-1 ONE FAMILY DWELLING TO R-3 MULTIPLE FAMILY DWELLING**

DATE: JANUARY 17, 2021

The City of Pontiac is in receipt of application ZMA 20-07 for a Zoning Map Amendment, parcel 64-14-21-451-002. At the Planning Commission meeting on November 18, 2020 the Planning Commission recommended the City Council approve the Zoning Map Amendment at 729 Linda Vista, PIN 64-14-21-451-002.

The 9.46-acre parcel is located east of Joslyn Avenue between Linda Vista Dr. and Vernon Dr. The applicant, Terence Anderson has requested to rezone 729 Linda Vista Dr., the former Mark Twain School Site, from R-1 One Family Dwelling to R-3 Multiple Family Dwelling. According to the applicant, the school building and property would be renovated and repurposed for multiple family housing and the surrounding vacant property developed for new townhome residential units, respectively. The proposed uses are principal permitted uses in the R-3 Multiple Family Dwelling zoning district.

Summary

1. The applicant requests rezoning the subject site from R-1 One Family Residential to R-3 Multiple Family Residential.
2. The Master Plan identifies the subject site as Civic/Public Use.
3. The subject property is compatible with R-3 standards.
4. Any future development must comply with all City standards and zoning procedures.

Existing Development Pattern

The subject site is located on a single parcel and has frontage and access from Joslyn Ave and Linda Vista Dr. The surrounding area to the west, east and south are predominately one-family dwellings. To the north are business services and commercial uses fronting Joslyn Avenue and N. Perry St.

Existing Zoning Pattern

Properties to the west, east and south are zoned R-1 One Family Dwelling and to the north along Joslyn Avenue and N. Perry St. the parcels are zoned C-1 Local Business

Master Plan

The Pontiac updated the City's Master Plan in 2014. The subject site is designated as Civic/Public Uses, Future Land Use category in the Master Plan. In this new economic development climate, Pontiac's diverse distribution of civic and public buildings across the City may not be the most efficient strategy. As the school district moved to consolidate, streamline, and disposed of property the subject site becomes an ideal opportunity to renovate and repurpose the building and construct new dwelling units.

Rezoning Criteria

The Pontiac City Council must consider any of the following criteria [section 6.804, A-J] that apply to the rezoning application in making findings, recommendations, and a decision to amend the Official Zoning Map [Section 6.804]. Additionally, the section also stipulates that the City Council may also consider other factors that are applicable to the application, but are not listed among the 10 criteria.

Section 6.804 provides review criteria for the Pontiac City Council to utilize in making its findings, recommendations, and formulating a decision. The *ten stated criteria* are listed with our findings:

1. *Consistency with the goals, policies and objectives of the Master Plan and any sub-area plans. If conditions have changed since the Master Plan was adopted, consistency with recent development trends in the area shall be considered.*
As described in the Master Plan, this project is consistent with the goals, policies, and objectives of the City's Master Plan and with current redevelopment trends in urban cities.
2. *Compatibility of the site's physical, geological, hydrological and other environmental features with the uses permitted in the proposed zoning district.*
The site was fully developed, so its geological, hydrological, and other environmental features are no longer present on the site.
3. *Evidence the applicant cannot receive a reasonable return on investment through developing the property with one (1) or more of the uses permitted under the current zoning.*
The applicant did not provide evidence that they could develop the 9.46 acre parcel for a one family dwelling unit subdivision. It is clear that demolition, development and construction costs will not provide a reasonable return on investment.
4. *Compatibility of all the potential uses allowed in the proposed zoning district with surrounding uses and zoning in terms of land suitability, impacts on the environment, density, nature of use, traffic impacts, aesthetics, infrastructure and potential influence on property values.*
The proposed use is compatible with uses allowed within the R-3 Multiple Family dwelling and will not negatively impact neighborhood density, traffic or property values.
5. *The capacity of the City's utilities and services sufficient to accommodate the uses permitted in the requested district without compromising the health, safety and welfare of the City.*
Existing City utilities are provided and have sufficient capacity.

6. *The capability of the street system to safely and efficiently accommodate the expected traffic generated by uses permitted in the requested zoning district.*
Joslyn Road is a Major Road under the City's jurisdiction. The proposed development will not impact the ability of this street and adjoining Vernon Dr., Linda Vista Dr., and Gage St. to handle potential traffic.
7. *The boundaries of the requested rezoning district are reasonable in relationship to surroundings and construction on the site will be able to meet the dimensional regulations for the requested zoning district.*
The boundaries of the rezoning are reasonable in relationship to surroundings and zoning district dimensional requirements.
8. *If a rezoning is appropriate, the requested zoning district is considered to be more appropriate from the City's perspective than another zoning district.*
With all the previous findings of fact, the boundaries of the proposed R-3 zoning district are reasonable from the City's perspective and comply with the vision found in the City's Master Plan.
9. *If the request is for a specific use, rezoning the land is considered to be more appropriate than amending the list of permitted or special land uses in the current zoning district to allow the use.*
It would be inappropriate to amend the permitted and special land use regulations in a R-1 zoning district with its intent to establish multiple family in the R-1 zoning district.
10. *The requested rezoning will not create an isolated or incompatible zone in the neighborhood.*
The proposed rezoning does not create an incompatible zone within this residential neighborhood.

**ZMA 20-07 – Zoning Map Amendment
Parcel Number 64-14-21-451-002**

RESOLUTION

Whereas, The City has received an application for a Zoning Map Amendment for 729 Linda Vista, identified as PIN 64-14-21-451-002 from Terence Anderson for the rezoning of the aforementioned parcel; and

Whereas, The Planning Division has reviewed the applicant's rezoning request in regards to the City's Master Plan and the request conforms to the goals and vision contained within the plan; and

Whereas, The Planning Division reviewed the requirements set forth by Section 6.804 of the Zoning Ordinance, the Planning Division has determined the aforementioned request and proposed intended use of the property complies with the City of Pontiac Zoning Ordinance; and

Whereas, In accordance with the procedures outlined in the Zoning Ordinance, Sections 6.802 as it relates to Zoning Map Amendments, the request has undergone the required: Technical Review, Public Hearing, and Planning Commission Recommendation; and

Whereas, On November 18, 2020 a Public Hearing was held and in consideration of public opinion, the Planning Commission recommends City Council approve the Zoning Map Amendment request for 729 Linda Vista, approving the change from the current R-1 One Family Dwelling zoning district to R-3 Multiple Family Dwelling zoning district; and

Now Therefore, Be It Resolved, That the City Council for the City of Pontiac approve the Planning Commission recommendation for the Zoning Map Amendment [ZMA 20-07] request for 729 Linda Vista, also known as Parcel No. 64-14-21-451-002 to amend the current site zoning from R-1 One Family Dwelling to R-3 Multiple Family Dwelling zoning district.



Application for Zoning Map Amendment

City of Pontiac

Office of Land Use and Strategic Planning

47450 Woodward Ave, Pontiac, MI 48342

T: 248.758.2800

F: 248.758.2827

Property/Project Address: 729 Linda Vista Drive

Sidwell Number: 14-24-451-002

Date: 09/04/2020

Office Use Only

PF Number: ZMA 20-07

Instructions: Completed applications with appropriate fee shall be submitted to the Office of Land Use and Strategic Planning at least **30 days** prior to the regularly scheduled Planning Commission meeting. Applications must be complete in all respects with supporting documents such as site plan, property survey etc. Planning staff will schedule the application for consideration by the Planning Commission in accordance with the attached schedule. Incomplete applications will delay the review process.

Applicant (please print or type)

Name	Terence Anderson		
Address	26520 Grand River Ave. Suite 101		
City	Redford Twp.		
State	Michigan		
ZIP Code	48240		
Telephone	Main:	Cell: 313.522.0414	Fax:
E-Mail	terence@renaissancecitydevelopers.com		

Project and Property Information

Name of Proposed Development: _____

The subject property is location at Linda Vista Drive on the N / S / E / W side of MLK between Joslyn Avenue and Vernon Drive.

The property is zoned: Residential R1

Proposed Zoning District: Multifamily R3

It is proposed that the property will be used as: 14-24-451-002 Part of SE 1/4 of Section 21, Town 3 North, Range 10 East

The subject property is legally described as follows (include sidwell numbers):

14-24-451-002 Part of SE 1/4 of Section 21, Town 3 North, Range 10 East - 14-24-451-002

Property Owner Information

Name	Shirley Rand		
Address	729 Linda Vista Dr.		
City	Pontiac		
State	Michigan		
ZIP Code	48342		
Telephone	Main:	Cell: 248.760.8791	Fax:
E-Mail	randlaw87@aol.com		

Are you the _____ Owner Agent/rep. of the owner _____ Other _____

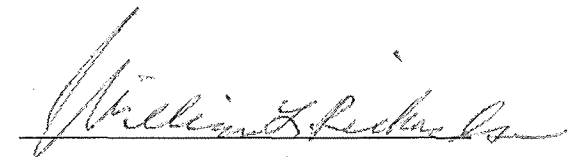
The proposed will be used for the following purpose (provide as much detail as possible with photographs, sketches, site plans, written documents, etc.).

The site will be redeveloped in two phases. Phase I will consist of 14 two story condominiums consisting of 3 bedroom, 2 bathrooms, and a 2 car garage. Phase II shall consist of renovating the existing Mark Twain School into (26) 2 bedroom, 2 bathroom and (1) 1 bedroom, 1bathroom apartments with a community Basketball gym, gameroom, and other outdoor amenities.

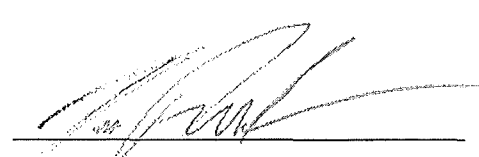
State the reason for the Zoning Map Amendment, particularly the manner in which the City will benefit if the amendment is approved and why such change will not be detrimental to the public welfare and/or the property rights of other persons located in the vicinity of the site.

The zoning amendment will provide additional sources of tax revenues and will provide a community gym for the residents in the vicinity.

The new community will be developed to provide housing opportunities for residents of all incomes. The proposed school renovation will be re-purposed for senior living. While the condominiums will be market rate.



Signature of Owner



Signature of Applicant

State of Michigan
County of Oakland

On this ____ day of _____, A.D., 20____, before me personally appeared the above named person, who being duly sworn, stated he/she has read the foregoing application, by him/her signed, and know the contents thereof, and that the same is true of his/her own knowledge, except as to the matters therein stated to be upon information and belief and so as to those matters he/she believes it to be true.

Notary Public, Oakland County, Michigan
My Commission Expires: _____

ZMA 20-07 Zoning Map Amendment

Terence Anderson

729 Linda Vista Drive [former Mark Twain Elementary School]

Parcel No. 64-24-451-002

Zoning Map Amendment Request:

R-1 One Family Dwelling to R-3 Multiple Family Dwelling Zoning
District

ZMA 20-07 Zoning Map Amendment

1. The former Mark Twain School would be renovated and repurposed for multiple family housing, and the surrounding vacant property will be reconfigured for new townhome residential construction.
2. The suggested proposed uses are principal permitted uses in the R-3 Multiple Family Dwelling zoning district.
3. In accordance with Section 6.802 of the City Zoning Ordinance, the request for Zoning Map Amendment requires a technical review, Public Hearing, recommendation by the Planning Commission, with a final decision by City Council.

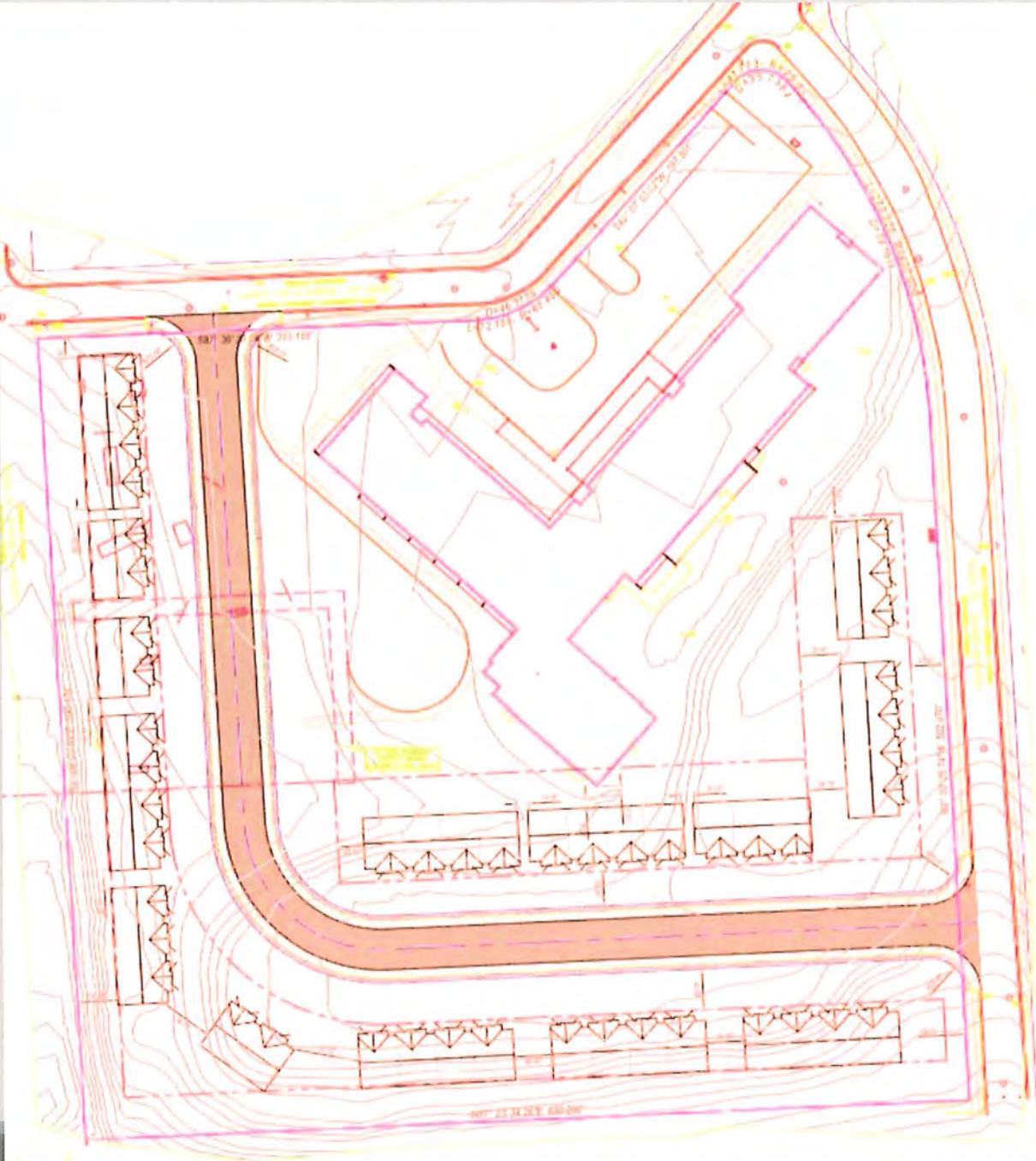
ZMA 20-07 Staff Findings

1. The applicant requests rezoning the subject site from R-1 One Family Residential to R-3 Multiple Family Residential.
2. The Master Plan identifies the subject site as Civic/Public Use. The proposed zoning designation complements the future land use designation in this area.
3. The subject property is compatible with R-3 standards.
4. Any future development must comply with all City standards and zoning procedures.

ZMA 20-07 Site Context



ZMA 20-07 Sketch Plan



1ST FLOOR PLAN



2ND FLOOR PLAN

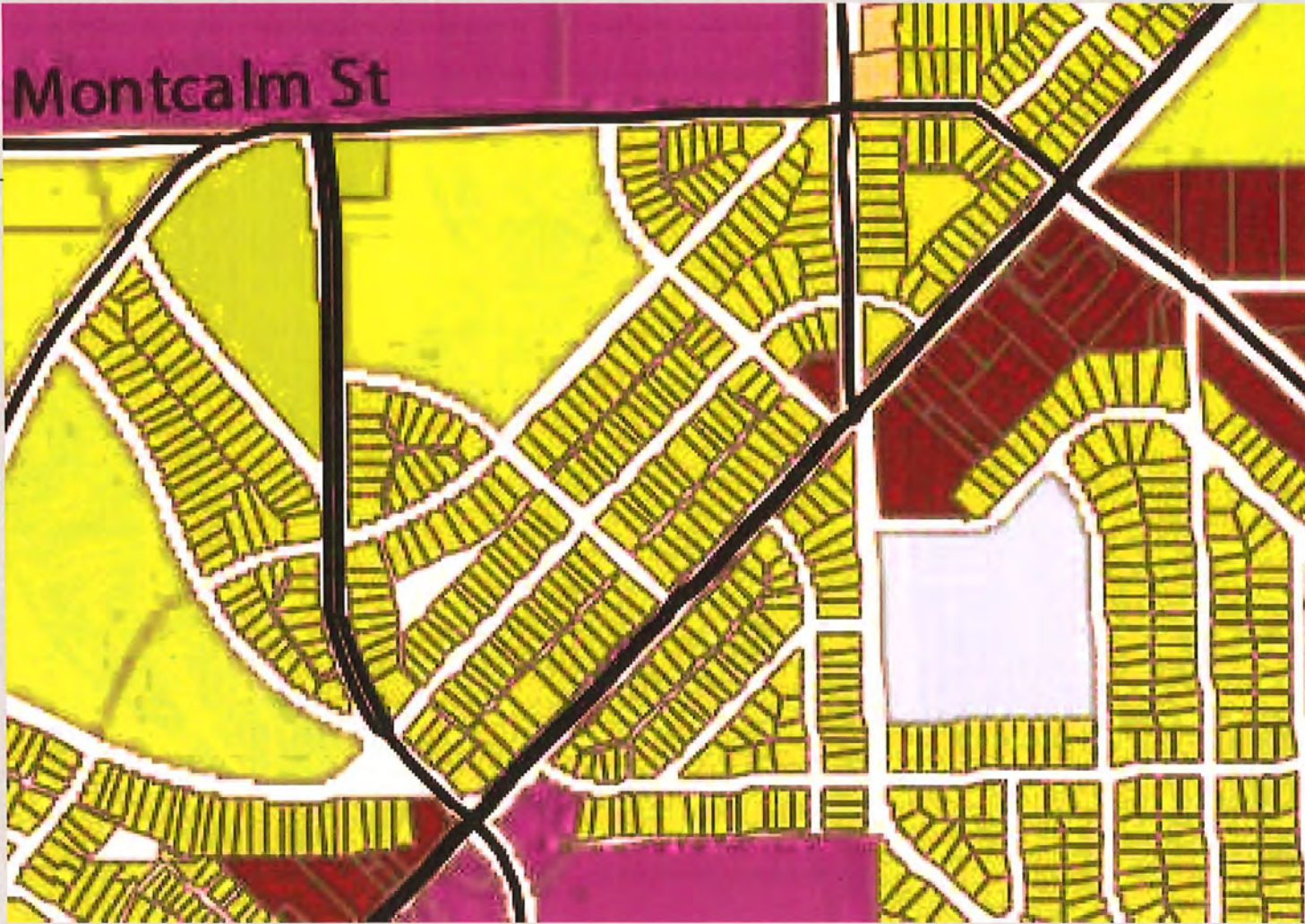


STREET VIEW

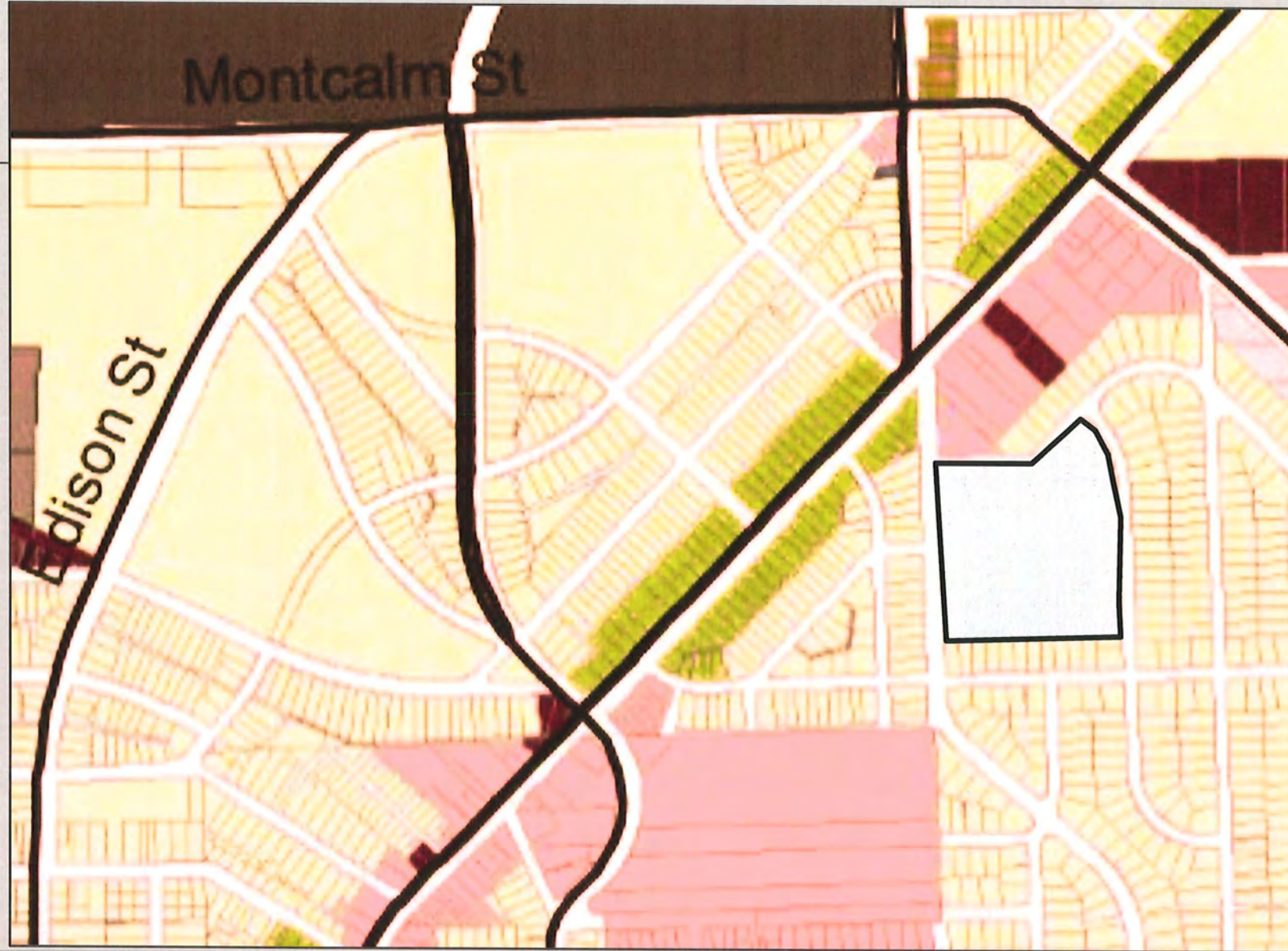


SITE RENDERING

ZMA 20-07
Future Land Use



ZMA 20-07 Zoning Map



ZMA 20-07...Rezoning Criteria Findings

1. As described in the Master Plan, this project is consistent with the goals, policies, and objectives of the City's Master Plan & with current redevelopment trends in urban cities.
2. The site is fully developed, so environmental features are no longer present on the site.
3. The applicant did not provide evidence that they could develop the 9.46 acre parcel for a one family dwelling unit subdivision. It is clear that demolition, development and construction costs will not provide a reasonable return on investment.

ZMA 20-07...Rezoning Criteria Findings

4. The proposed use is compatible with uses allowed within the R-3 Multiple Family dwelling and will not negatively impact neighborhood density, traffic or property values.
5. Existing City utilities are provided and have sufficient capacity.
6. Joslyn Road is a Major Road under the City's jurisdiction. The proposed development will not impact the ability of this street and adjoining First, Barkell and Beverly local roads to handle potential traffic.

ZMA 20-07...Rezoning Criteria Findings

7. The boundaries of the rezoning are reasonable in relationship to surroundings and zoning district dimensional requirements.
8. With all the previous findings of fact, the boundaries of the proposed R-3 zoning district are reasonable from the City's perspective and comply with the vision found in the City's Master Plan.
9. It would be inappropriate to amend the permitted and special land use regulations in a R-1 zoning district with its intent to establish multiple family in the R-1 zoning district.
10. The proposed rezoning does not create an incompatible zone within this residential neighborhood.

#8

RESOLUTION



CITY OF PONTIAC
Department of Building Safety
Planning & Zoning Division

47450 Woodward Ave | Pontiac, Michigan 48342

Mayor Deirdre Waterman

TO: HONORABLE MAYOR WATERMAN, COUNCIL PRESIDENT WILLIAMS & PONTIAC CITY COUNCIL

FROM: VERN GUSTAFSSON, PLANNING & DEVELOPMENT MANAGER

SUBJECT: *RESOLUTION TO APPROVE UPDATED DOWNTOWN PONTIAC SOCIAL DISTRICT*

DATE: NOVEMBER 30, 2020 | *REVISED JANUARY 20, 2021*

The Michigan Liquor Control Commission [MLCC] requested to include the name of the liquor licensed businesses on the Social District Map. Upon receipt of this change the MLCC will update website and begin processing any applications received.

Public Act 124 of 2020 [attached] signed in to law on July 1, 2020 allows cities to create Social Districts and within them Common Areas where alcoholic beverages from participating licensed establishments can be possessed and consumed outside the establishments' service areas. This enabling legislation would allow these areas where two or more contiguous licensed establishments [bars, breweries and/or restaurants] could sell alcoholic beverages in special cups to be taken into the Common Areas for consumption.

Once a Downtown Pontiac Social District is approved by the MLCC, participating licensed establishment must receive approval from the City Council and MLCC for a Social District permit. According to Act 124, the Social District and Common Areas would extend to December 31, 2024.

A Downtown Pontiac Social District is designed to create new energy in the downtown, while providing participating restaurants, breweries and bars an increasing economic benefit to expand its footprint during COVID-19 restrictions during scheduled special events. The district would be managed by Main Street Pontiac. The City would provide assistance along with the Oakland County Sheriff Department, Waterford Regional Fire Department and EMS Star.

Management & Maintenance Plan [attached as Exhibit A] addresses a year-around Social District in terms of operation, access, alcohol, furnishings, signs, trash/recycling, and social distancing and COVID-19 response. The Common Areas would be set up and used only when Special Events are planned and approved.

The Downtown Pontiac Social District [Attached as Exhibit B] is bounded by the Woodward Avenue Loop and would have the following Common Areas:

- Saginaw Street between Water Street and Lafayette Street;
- W. Lawrence Street, west of Saginaw Street to the Alley;
- Hidden River Entertainment Space;
- Saginaw Green; and
- The Alley west of Saginaw, between Pike Street and Lafayette Street

RESOLUTION
Downtown Pontiac Social District

Minutes of a regular meeting of the Pontiac City Council of the City of Pontiac, County of Oakland, Michigan [the "City"] held virtually, live on city's Facebook per amendment to the Open Meeting Act PA 228 of 2020, on the ____ day of _____, 2021 at 6:00PM

Present: _____ Absent: _____

The following preamble and resolution were offered by Councilperson _____ and supported by Councilperson _____.

Whereas, in accordance with Public Act 124 of 2020 on the establishment of Social Districts within a Michigan city; and

Whereas, COVID-19 pandemic has caused unprecedented economic disruption worldwide and within our downtown business community; and

Whereas, restaurant, breweries, and bars, which are key contributors to the historic development/redevelopment of Downtown Pontiac, have been and will continue to be hard hit by the economic impact of the pandemic; and

Whereas, increasing availability of outdoor spaces for dining and drinking will help the downtown and its businesses recover; and

Whereas, Public Act 124 of 2020 empowers local governments like the City of Pontiac to enhance its downtown, the Social District and accompanying Common Areas where purchasers may consume and possess alcoholic beverages sold by multiple qualified Michigan Liquor Control Commission licensees who obtained Social District Permits; and

Whereas, the Pontiac City Council has received requests to designate a Downtown Pontiac Social District; and

Whereas, The Pontiac City Council has considered the potential impact of the requested Social District on the public health, safety and welfare of the city; and

Whereas, the Pontiac City Council desires to designate a Downtown Pontiac Social District with Common Areas.

Now Therefore, Be It Resolved,

1. That Downtown Pontiac Social District boundary and Common Areas area are designated on the map, and
2. The Social District and Common Areas have at least two qualified, participating and permitted Michigan Liquor Control Commission licenses, and
3. That signs will be placed to clearly define and mark the limits of the Common Areas, and

4. The management and maintenance of the Downtown Pontiac Social District and Common Areas shall be conducted in accordance with the attached Management & Maintenance Plan, and
5. That the Downtown Pontiac Social District and Common Areas shall be maintained in a manner that protects the health and safety of the city, and
6. That, if the Common Areas are deemed to be a public health and safety concern, a public hearing revoking the designation will be held before the Pontiac City Council in accordance with Public Act 124 of 2020.

Be it Further Resolved, that the Mayor and Interim City Clerk are hereby authorized to execute all documents necessary to file the Downtown Pontiac Social District and Common Areas Map and the Management and Maintenance Plan with the Michigan Liquor Control Commission.

Ayes:
Nays:

Resolution Declared Approved.

Garland Doyle, Interim City Clerk

Dr. Deirdre Waterman, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Pontiac City Council of the City of Pontiac, County of Oakland, Michigan, at a regular meeting held on _____, 2021 and that said meeting was conducted and public notice of said meeting was given pursuant to and full compliance with the Open Meeting Act, being Act 267, Public Acts of Michigan, 1976, as amended PA 228 of 2020 and that the minutes of said meeting were kept and will be and or have been made available as required by said Act.

Garland Doyle, Interim City Clerk

EXHIBIT A – Management & Maintenance Plan | Downtown Pontiac
Social District & Common Areas
&
EXHIBIT B – Downtown Pontiac Social District Map

EXHIBIT A
Management & Maintenance Plan
Downtown Pontiac Social District & Common Areas

City of Pontiac, Michigan

November 30, 2020

OPERATION

1. The Social District and Common Areas shall be open for operation Sunday through Thursday from 11am to 11pm, and Friday and Saturday from 11am to midnight.
2. No tents larger than 10 ft. x 10 ft. or lighting shall be installed within the Social District or Common Area(s) without City permission.
3. No amplified sound shall be used in the Social District or Common Areas without City permission.
4. Umbrellas may be installed but shall not be mechanically fastened to street or sidewalk surfaces.
5. Dogs are permitted in the Social District and Common Areas (the City's leash laws still apply, as does the obligation to pick up after your dog).

ACCESS

1. Pedestrian access shall be maintained to all buildings in the Social District and Common Areas as required by the City of Pontiac.
2. Emergency access shall be maintained to all adjacent properties in the Social District and Common Areas as required by the City of Pontiac.

ALCOHOL

1. Alcoholic beverages are allowed in the Common Area(s) only in accordance with a Social District Permit issued by the Michigan Liquor Control Commission (MLCC) and City of Pontiac requirements.
2. Alcoholic beverages shall only be purchased at the licensed premises of a Social District Permit holder and must be consumed in designated Common Areas.

SEATING, TABLES & RELATED FURNISHINGS

1. Pontiac Main Street [PMS] will maintain any seating, tables, and related furnishings that have been purchased and deployed by PMS within the Social District.
2. Seating, tables, and related furnishings that have been provided by individual Social District Permit Holders shall be the sole responsibility of the Social District Permit Holders and must comply with ADA accessibility requirements. Under certain circumstances, Social District Permit holders may use public space for seating, tables, and related furnishings. Interested Social District Permit holders must contact PMS for necessary reviews and approvals.
3. Related furnishings are defined as planters, fencing, spatial delineators or other elements that are deployed as part of a seating expansion within the Common Areas.

SIGNS

1. PMS in consultation with the City of Pontiac Building & Safety Department will provide signs that designates the Common Area(s) and Common Area(s) boundaries.
2. The City of Pontiac Sign Ordinance, which is part of the Zoning Ordinance are applicable within Social District and Common Area(s)

TRASH & RECYCLING

1. PMS will provide temporary trash cans and/or recycling cans within Common Area(s) and at Common Area boundaries and will maintain these trash cans and/or recycling cans and conduct trash removal operations at these locations for the duration of the Social District and Common Area operation so long as it is economically feasible to do so.

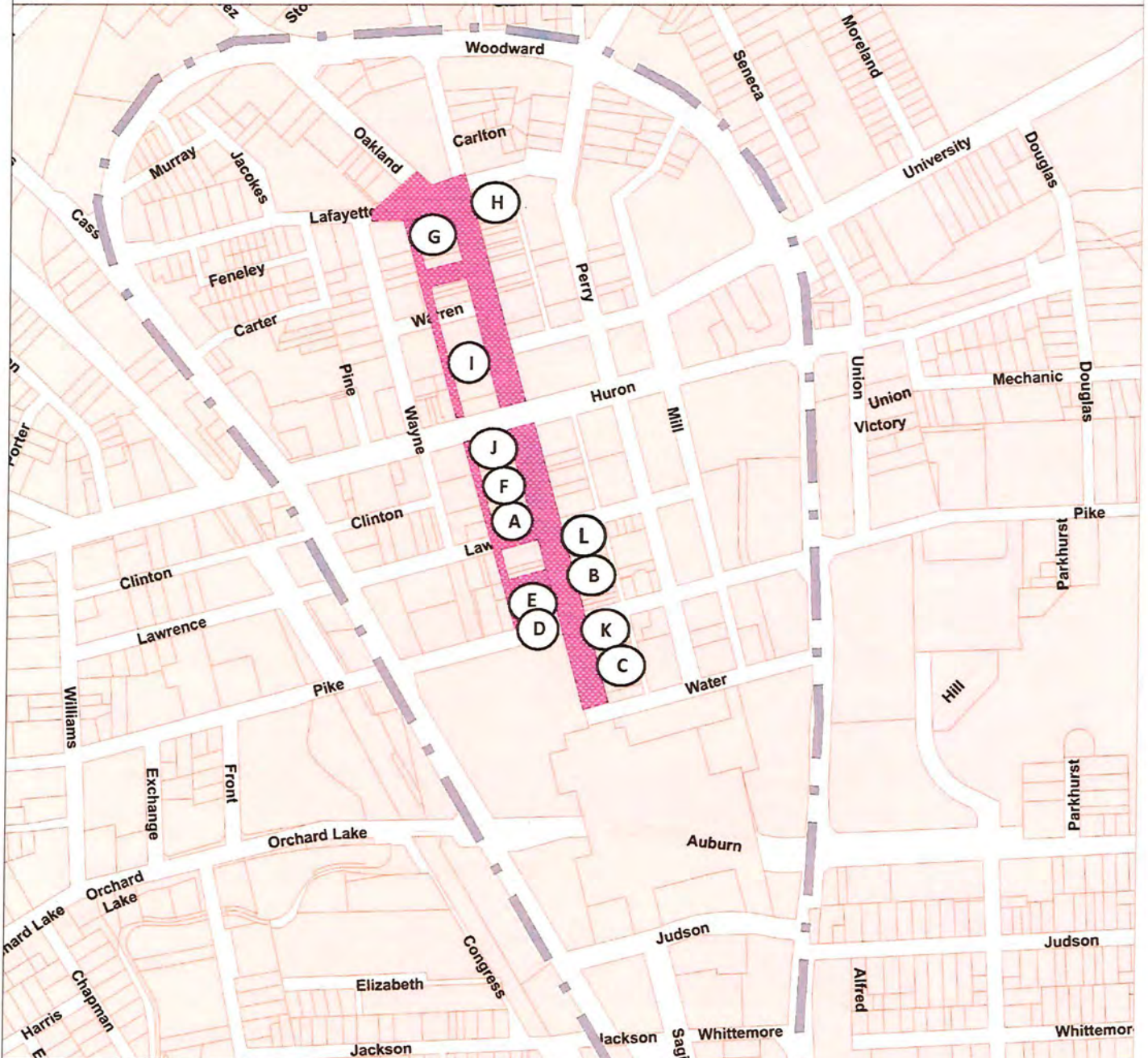
REVIEW

1. The Management and Maintenance Plan shall be included in any future Social District reviews conducted by the City of Pontiac or other entities.
2. PMS shall be included in any review and consulted on any revisions to the Social District and Management and Maintenance Plan.
3. Alcoholic beverages consumed in Common Areas are required to be in designated cups per the requirements of the MLCC.
4. Social District Permit holders are responsible for the sale of alcohol on their licensed premises in accordance with their individual Social District Permits and all MLCC rules and regulations, including confirming the consumer's identification and age, and prohibiting the sale of alcohol to intoxicated parties.
5. During regular patrols, Oakland County Sheriff and Downtown Pontiac Patrol Officer will monitor Common Area(s) as assigned for compliance with MLCC regulations.
6. PMS staff and/or contractors will also monitor Common Areas and report compliance issues to the proper authorities so long as it is economically feasible to do so.
7. Additional Common Areas may be considered at a future date by the Pontiac City Council.

SOCIAL DISTANCING & COVID-19 RESONSE



1. All users of Social District and Common Area(s) shall follow State of Michigan social distancing requirements.
2. All users of the Social District and Common Areas shall comply the State of Michigan Orders, including by not limited to, complying with limits on social gatherings and requirements relating to face masks.

Downtown Pontiac Social District Map

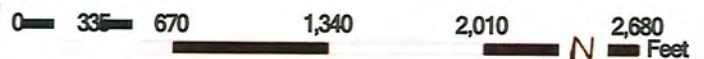


Downtown Pontiac Social District Map

- A. MARIMAR LLC dba N. Saginaw Alley Cat Cafe – 31 N Saginaw
- B. Strand Events, LLC, dba Charlene’s Theater Bar – 12 N Saginaw
- C. Electricity Events LLC, dba Elektriccity – 15 S Saginaw
- D. Exferimentation Brewing Company, dba Exferimentation Brewing Company – 7 N Saginaw
- E. Fillmore 13 Brewery LLC, dba Fillmore 13 Brewery – 7 N Saginaw
- F. 47 North, Inc., dba Green Room Café – 47 N Saginaw
- G. Kosch Enterprises Inc., dba Lafayette Grande – 1 Lafayette
- H. Lafayette Market, LLC, dba Lafayette Market – 154 N Saginaw
- I. LBP Entertainment Group LLC, dba Liberty Bar – 85 N Saginaw
- J. Little MO LLC, dba Little MO – 51 N Saginaw
- K. Pike Street Pool LLC, dba Crofoot Ballroom – 1 S Saginaw
- L. Strand Events LLC, dba Strand Theatre Restaurant – 12 N Saginaw

 Common Areas
 Social District Boundary

January 20, 2021



#9

RESOLUTION



CITY OF PONTIAC
Department of Building Safety
Planning & Zoning Division
 47450 Woodward Ave | Pontiac, Michigan 48342

Mayor Deirdre Waterman

TO: HONORABLE MAYOR WATERMAN, COUNCIL PRESIDENT WILLIAMS & PONTIAC CITY COUNCIL

FROM: VERN GUSTAFSSON, PLANNING & DEVELOPMENT MANAGER

SUBJECT: RESOLUTION TO APPROVE UPDATED DOWNTOWN PONTIAC SOCIAL DISTRICT PERMIT APPLICATIONS

DATE: DECEMBER 4, 2020 | REVISED JANUARY 20, 2021

The Michigan Liquor Control Commission [MLCC] requested to include the name of the liquor licensed businesses on the Pontiac City Council resolution. Following receipt of updated resolution, they will begin processing any applications received.

With the establishment of the Downtown Pontiac Social District, participating licensed establishments must receive a Social District Permit from the MLCC. The MLCC must first receive an approval from the Pontiac City Council before granting permits.

The following resolution includes the names of the establishments seeking a Social District Permit from the state. The Social District identifies 12 potential participating licenses within the Social District, other licensed establishments may file a Social District permit application in the future.

RESOLUTION

Downtown Pontiac Social District Permit Applications

Minutes of a regular meeting of the Pontiac City Council of the City of Pontiac, County of Oakland, Michigan [the "City"] held virtually, live on city's Facebook per amendment to the Open Meeting Act PA 228 of 2020, on the ____ day of _____, 2021 at 6:00PM

Present: _____ Absent: _____

The following preamble and resolution were offered by Councilperson _____ and supported by Councilperson _____.

Whereas, in accordance with Public Act 124 of 2020 on the establishment of Social Districts within a Michigan city; and

Whereas, COVID-19 pandemic has caused unprecedented economic disruption worldwide and within our downtown business community; and

Whereas, restaurant, breweries, and bars, which are key contributors to the historic development/redevelopment of Downtown Pontiac, have been and will continue to be hard hit by the economic impact of the pandemic; and

Whereas, increasing availability of outdoor spaces for dining and drinking will help the downtown and its businesses recover; and

Whereas, Public Act 124 of 2020 empowers local governments like the City of Pontiac to enhance its downtown, the Social District and accompanying Common Areas where purchasers may consume and possess alcoholic beverages sold by multiple qualified Michigan Liquor Control Commission licensees who obtained Social District permits; and

Whereas, the Pontiac City Council has designated a Downtown Pontiac Social District and Common Areas; and

Whereas, the City has received requests from multiple qualified licensees to recommend approval of their Social District permit applications by the Michigan Liquor Control Commission; and

Whereas, the licensed establishments are contiguous to the Common Areas within the Social District; and

Whereas, the Pontiac City Council desires to recommend approval of the Social District Permit applications,

Now, therefore be it resolved that:

1. The Social District Permit applications from the following licensees are recommended by the Pontiac City Council for consideration and approval by the Michigan Liquor Control Commission:
 - a. MARIMAR LLC dba N. Saginaw Alley Cat Cafe – 31 N Saginaw
 - b. Strand Events, LLC, dba Charlene’s Theater Bar – 12 N Saginaw
 - c. Elektriccity Events LLC, dba Elektriccity – 15 S Saginaw
 - d. Exferimentation Brewing Company, dba Exferimentation Brewing Company – 7 N Saginaw
 - e. Fillmore 13 Brewery LLC, dba Fillmore 13 Brewery – 7 N Saginaw
 - f. 47 North, Inc., dba Green Room Café – 47 N Saginaw
 - g. Kosch Enterprises Inc., dba Lafayette Grande – 1 Lafayette
 - h. Lafayette Market, LLC, dba Lafayette Market – 154 N Saginaw
 - i. LBP Entertainment Group LLC, dba Liberty Bar– 85 N Saginaw
 - j. Little MO LLC, dba Little MO – 51 N Saginaw
 - k. Pike Street Pool LLC, dba Crofoot Ballroom – 1 S Saginaw
 - l. Strand Events LLC, dba Strand Theatre Restaurant – 12 N Saginaw

2. The Interim City Clerk is authorized and directed to provide each applicant with a certification of this action in the form specified by the Michigan Liquor Control Commission.

Ayes: _____ Nays: _____

Resolution Declared Approved.

Dr. Deirdre Waterman, Mayor

Garland Doyle, Interim City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Pontiac City Council of the City of Pontiac, County of Oakland, Michigan, at a regular meeting held on _____, 2021 and that said meeting was conducted and public notice of said meeting was given pursuant to and full compliance with the Open Meeting Act, being Act 267, Public Acts of Michigan, 1976, as amended PA 228 of 2020 and that the minutes of said meeting were kept and will be and or have been made available as required by said Act.

Garland Doyle, Interim City Clerk