

**School District of the City of Highland Park  
Highland Park Renaissance High School  
15900 Woodward Avenue , 3<sup>rd</sup> Floor  
Highland Park, Michigan 48203**

# **Schedule**

# **Minutes**

**Regular Meeting  
Tuesday, May 13, 2014  
7:00 p.m.**

**SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK  
REGULAR MEETING OF THE BOARD OF EDUCATION**

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Highland Park Renaissance Academy  
15900 Woodward Avenue, Third Floor  
Highland Park, Michigan 48203  
Tuesday, May 13, 2014  
7:00 p.m.

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**MINUTES**

**I. Call to Order**

The Regular Meeting of the Board of Education of the School District of the City of Highland Park was called to order by President McDonald in the Highland Park Renaissance Academy, 15900 Woodward Avenue, Highland Park, Michigan 48203, Tuesday, May 13, 2014 at approximately 7:00 p.m.

Due to the absence of Board Secretary Williams, President McDonald appointed Member Edwards as the Acting Board Secretary.

**I. Roll Call**

**Present:** Members: Jamille Edwards, John Holloway, Debra Humphrey, Glenda McDonald, and Kurt Griggs-Swanson

**Absent:** Members: Robert Davis and Soyini Williams

A quorum was present.

Also present were: Mr. Gregory Weatherspoon, Emergency Manager, Ms. Barbara Oliver, Charter School Administrator, Mr. Jack Bauman, Director of Human Resource , Chuck Gordon, CAO of George Washington Carver, Ms. Pamela Williams, Superintendent of the Highland Park Renaissance PSA and Mr. Michael Jackson, Highland Park Renaissance PSA H.S. School Leader.

**II. Approval of the Board of Education Meeting Minutes**

**April 08, 2014 Regular Meeting**

**Suggested Motion**

That the Board of Education approve the minutes of the April 08, 2014 Regular Meeting.

**Moved by:** Acting Secretary Edwards

**Supported by:** Member Holloway

**Motion: Carried**

*No legal opinion from the attorney will be discussed in public session.*

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#### III. Communications

The City of Highland Park presents the 91<sup>st</sup> Annual Michigan Week Parade, Saturday, May 17, 2014 at 12 p.m. Location: Marching off at Tennyson Street with a Grand Finale in front of the Villa Store in the Model T Plaza.

The McDonald Phelps Foundation would be honored by your presence at our 2<sup>nd</sup> Annual Black & White Award/Charity Event. For an Evening of Celebration as we honor the Leaders of Highland Park, Michigan, Friday, June 20, 2014, 7:00p.m.- 11:30 p.m. at Club Venetian Banquet Center, 29310 John R. Road, Madison Heights, MI 48071. Funds from the evening event will benefit The McDonald Phelps Foundation Scholarship Fund, providing the opportunity to help send a deserving student to college.

The Carolyn White and Jerry L. White Center, high school staff and students cordially request your presence at the painting unveil of Jerry L. White, Monday, May 19, 2014, 12:00 p.m. - 2:00 p.m., at the Jerry L. White Center, 14804 West McNichols, Detroit, Michigan.

#### IV. Public Hearing

Request for Public Hearings must be submitted in writing and must state purpose.

"Employees and employee groups are not authorized to appear before the Board of Education to discuss contract issues or negotiable items."

(See Board Policy #1360)

No requests were submitted.

#### V. Citizens Participation

Each citizen will be allotted two minutes to voice concerns regarding items on the agenda.

##### Ms. Linda Wheeler

Ms. Wheeler asked: What is the debt for the Highland Park Public School?

##### Mr. Weatherspoon:

Mr. Weatherspoon answered: We owe 2.8 million on this building (Highland Park Renaissance High School). There are other legacy debts that are not connect to buildings.

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**Ms. Wheeler**

Ms. Wheeler asked: Have the properties and other assets that were sold been placed toward the debt?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: Yes, the money was given to the general fund, which pays the bills. This is for the old school district, which still owes water bills, office of retirement services, etc. We still have to pay those bills.

**Ms. Bernice Mia**

Ms. Mia stated: Can we have a copy of the budget? When we come to the meetings there should be a budget on the table. We as citizens and taxpayers need to know where the money is and how it is being spent.

**Mr. Weatherspoon:**

Mr. Weatherspoon answered: Everything you are asking for is on the website.

**Mr. Wheeler**

Mr. Wheeler asked: I have a question on the realignment of the schools. Is there a timeline table for closing the district?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: Can I answer that question when we get to that item on the agenda?

**Mr. Wheeler**

Mr. Wheeler answered: Yes

**Ms. Marian CKramer**

Ms. CKramer asked: How many children are enrolled in this district? How many children are enrolled in this school? What is the school capacity? What is the breakdown of how many children are residents of Highland Park? Why are we paying taxes for schools that do not belong to us? Ms. CKramer stated: I live in Highland Park, I do not have any children in this school district and most of the children come from outside of the school district.

**Mr. Weatherspoon**

Mr. Weatherspoon answered: There are 642 students in the district. In this school building (Highland Park Renaissance High School) there are 240 students. The building capacity is 2,000.

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**Ms. Williams**

Ms. Williams answered: There are 73% of students who attend this school who are Highland Park residents, but I am not sure of the exact amount, I will get you that answer and give it to you.

**Ms. Mariam CKramer**

Ms. CKramer asked: Why are we paying taxes for children that come from outside of the district? This is unfair to us.

**Member Holloway**

Member Holloway asked: I was wondering the same thing. Why are we still paying taxes?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: This is a system of choice which allows students mobility. The law states that any school that is a failing school allows students to attend a school that is not failing.

**Member Holloway**

Member Holloway stated: The answer to why we are still paying taxes is because we still owe a debt. Am I correct Mr. Weatherspoon?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: Yes, you are correct.

**Ms. Mia**

Ms. Mia stated: I want to know from the Board, how can we dissolve Highland Park Public School and take the taxes off the citizen?

**Member Humphrey**

Member Humphrey stated: I totally agree with you, we as the people, we need to get together and make the same noise as the other people. When we sit here and do nothing this is what happens. I have been wanting to form something or put something together. We need to take it where it lays and that's Lansing.

**VI. Consent Agenda**

None

**VII. Educational Presentation**

None

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VIII. Old Business

None

IX. New Business

None

X. Administrative Information – Given by Mr. Weatherspoon

a) Northpointe and George Washington Carver Merger

Northpointe and George Washington Carver are going through a merger. The reason for the merger is to prevent them from dissolving, they would have to sell all their assets and start over new. The merger will prevent this, and Northpointe will be able to keep its assets, which includes the Title I money.

- Emergency Manager Order 2014-3 (See Website) [www.hipark.org](http://www.hipark.org)  
An Emergency Manager Order was signed to complete the merger.
- Resignation of Northpointe Board Members  
Northpointe Board Members resigned and they were replaced by the new members that are listed below.
- New Northpointe Board Members  
Ms. Keila Walton, President  
Mr. Thomas McClellan, Treasurer  
Mr. Charles Anderson, Secretary

b) Merger schedule

We have to be out of Northpointe by June 30<sup>th</sup> to prevent paying any additional money to the Archdiocese for rent. The students are out of school, June 13<sup>th</sup>, therefore we have a short amount of time to complete the move.

Staffing and other components that are needed to make this transition are complete. With the assistance of the lawyers, the contracts will be rewritten by June 1, 2014.

The Emergency Managers prior to me were the authorizers. Northpointe, George Washington Carver and the Leona System received direction from the authorizer, which the Emergency Manager is to all of them.

The Emergency Manager, PSA Board and the Educational Service Providers (Chuck Gordon and Sharon Taylor) have a K-8<sup>th</sup> grade agreement that will be

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modified. There will be one district, called George Washington Carver and two buildings(schools). The buildings will be George Washington Carver and Northpointe in one site, which will be the George Washington Carver site. The PreK-4<sup>th</sup> will be George Washington Carver and the 5<sup>th</sup> -8<sup>th</sup> grade will be Northpointe. The funding will continue with the schools. Basically all we are doing is moving students out of one building into another. The building will be under the direction of Mr. Chuck Gordon.

#### Member Holloway

Member Holloway asked: Was it necessary for this local board to approve the board members for Carver and Northpointe?

#### Mr. Weatherspoon

Mr. Weatherspoon answered: No, Under Public Act 436, the Emergency Manager appoints for the PSA Boards.

#### Member Holloway

Member Holloway asked: What effect does the merger have on the 3% state funding that the district receives from Northpointe and George Washington Carver?

#### Mr. Weatherspoon

Mr. Weatherspoon answered: It stays in place. We will receive the funding from one building instead of two.

#### Member Holloway

Member Holloway asked: Is there a time certain when this entity will cease?

#### Mr. Weatherspoon

Mr. Weatherspoon answered: The Northpointe board term ends June 30<sup>th</sup>,

#### President McDonald

President McDonald asked: What happens to the Northpointe board after June 30<sup>th</sup>?

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#### Mr. Weatherspoon

Mr. Weatherspoon answered: Their term expires because it is a short amount of time for the seamless transition that we are trying to accomplish between Northpointe and George Washington Carver.

#### President McDonald

President McDonald asked: Will a new board be appointed for Northpointe or will there only be one board for the building?

#### Mr. Weatherspoon

Mr. Weatherspoon answered: There is one board in place, the same thing applies for George Washington Carver, they have a minimum of three members. We can add more if we wish. After June 30<sup>th</sup>, the Northpointe boards members leave.

#### President McDonald

President McDonald asked: Will there be a process for George Washington Carver to expand, in this district, if they need more space? Will the Highland Park Board allow them to have another building or space? It looks like we are going to have vacant buildings.

#### Mr. Weatherspoon

Mr. Weatherspoon answered: The big elephant in the room is this high school, it costs \$560, 000 to run a year, this is why Leona is having a problem. I know Mr. Gordon would not think about coming to the high school with 600 students, with a building capacity of 2,000. With Ford and Barber being occupied we have no buildings left. If the school reaches capacity, we will have to have a lottery or investigate whatever is left in the area, because there is no empty buildings left except the high school.

#### Vice President Swanson

Vice President Swanson asked: Has any temporary Northpointe board members expressed an interest to joining the George Washington Carver board of directors?



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#### Mr. Weatherspoon

Mr. Weatherspoon answered: I am not aware of any expressed interest. There has been talk previously of having two slots for Northpointe when the old board was in place, when they left, we did not continue that conversation.

#### c) Highland Park Public School System- Report given by Mr. Weatherspoon:

In the Highland Park Public School System there are 3 schools. Barber and Ford, which are K-8<sup>th</sup> schools and the high school which is 9<sup>th</sup> -12<sup>th</sup>. The Leona Group received the buildings for one dollar, with the condition to bring the buildings up to code. Half of a million dollars was spent trying to bring the building up to code. More repairs were needed, LARA (Licensing and Regulatory Affairs) stated that until all the repairs are completed, Leona would receive a partial occupancy license. The Leona Group had to pay for repairs without receiving their fee of 12%. They have been operating in deficit, the state will not allow this. A deficit elimination plan was written. An alternative was reached with Ford as a High school 9<sup>th</sup> -12<sup>th</sup> grade, and Barber operating as a K-8<sup>th</sup> school.

- Deficit Elimination Plan (See Attachment)
- School Realignment

#### President McDonald

President McDonald asked: How will the students that want to participate in sports be accommodated?

#### Ms. Williams

Ms. Williams answered: At this time all the details have not been netted out. We have discussed some options that involve using the community center. We believe we can upgrade the facilities to accommodate the basketball, wrestling and continue to use this field. No plans have been finalized.

#### President McDonald

President McDonald asked: When will the community and students (athletes) have the answers to? How will the students continue to play? Where will they play? When will they know?

#### Ms. Williams

Ms. Williams answered: The plans are not concrete at this point, but any suggestions that you might have will be gladly accepted.

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#### **Acting Secretary Edwards:**

Acting Secretary Edwards asked: What are the improvements that the Leona Group has completed at all the buildings? What renovations have been completed to ensure that the students are not cold, due to the fact that there was a boiler problem at the Barber School?

#### **Ms. Williams**

Ms. Williams answered: The boilers had not been maintained, there was a couple of instance where the boilers had to be repaired. We are prepared to take the summer to complete maintenances on the boilers.

#### **Vice President Swanson**

Vice President Swanson stated: I do not think you can do what you are referencing doing, Mr. Weatherspoon. This is what happens when you fail to do your due diligence. With all due respect, you are responsible for what your predecessors did. When they rushed and put together a 400 page contract without putting together a swat analysis, this is what happens. Who would have known whether or not this entity is sustainable, evidently they are not. What are our options under Public Act 436? When you shut down neighborhood schools the neighborhood deteriorates.

- d) Sell of Former Administration Office, 20-32 Bartlett, Highland Park, Michigan, 48203.
- Listing Agreement for Lease
  - Sell Agreement
  - Offer to Purchase Agreement (See Attachment)
  - Public Act 436-141.1554, 141.1555, 141.1559 (See Attachment)
  - Board Support –vote to complete selling of the Former Administration Building, 20-32 Bartlett, Highland Park, Michigan, 48203.

#### **Mr. Weatherspoon**

Mr. Weatherspoon stated: The appraisal for the 20-32 Bartlett property is \$75,000 and we have an offer for \$100,000. With the property value being over \$50,000, the board has to vote on it, and the governor as-has to sign-off before the sell sale can be approved. I talked with city council members and community members regarding the selling of this property. I am bringing this property before the board today to get a vote of yes or no to sell. You have Public Act 436, I would like for Mr. Holloway to speak to you regarding this.

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**Member Holloway**

Member Holloway asked: Does this board have a right to know who is making the offer to purchase?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: At this point no, because it is a purchased offer that hasn't been signed? I have not signed it.

**Member Holloway**

Member Holloway asked: What is the ~~purposed~~ proposed use for the building?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: I do not know.

**Member Holloway**

Member Holloway asked: Once the building is sold, what will the money be used for?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: The money goes into the general fund. It will be used to pay the debt for the old Highland Park School District.

**Member Holloway**

Member Holloway stated: I am back to where I was before on whether or not we vote yes or no on the suggested motion. We have 10 ten days to respond to what you are requesting. We have 7 days to write a different plan that has to accomplish the same thing that you are trying to accomplish.

**Vice President Swanson**

Vice President Swanson asked: What council member did you confer with regarding the selling of the property?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: I prefer not to name them.

**Vice President Swanson**

Vice President Swanson stated: Let the record reflect that the council member in question is Christopher Woodard, council president.

**Acting Secretary Edwards** made a motion to discuss the selling of the Bartlett property.

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The motion to discuss the selling of the Bartlett property was removed by Acting Secretary Edwards.

Supported By: Member Holloway

#### **Suggested Motion**

That the Board of Education approves the selling of the Former Administration Building, 20-32 Bartlett, Highland Park, Michigan 48203.

Moved: Member Holloway      Second by: Member Humphrey

Deseent Dissent by: Vice President Swanson

A Roll Vote was conducted

Robert Davis	Absent
Jamille Edwards	No
John Holloway	Yes
Debra Humphrey	No
Glenda McDonald	No
Kurt-Griggs Swanson	No
Soyini Williams	Absent

**Motion failed due to lack of support.**

- e) Discuss MASB Board Meeting recommended agenda format for Districts operating under Emergency Management. (See Attachment)

#### **Suggested Motion**

That the Board of Education approves the recommendations of MASB to change agenda format.

Moved by: Acting Secretary Edwards      Supported by: Member Holloway

**Motion: Carried**

### **XI. Board of Education Affairs**

#### **Michigan Week Parade**

President McDonald asked if any board members, would like to participate in the Michigan Week Parade? Member Humphrey and Vice President Swanson agreed to participate in the parade.

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#### Discussion of Board Policies and Procedures

**President McDonald stated:** Members of the board do not have Policies and Procedures. I would like to send a letter to previous board members to try to retrieve the binders.

**Acting Secretary Edwards stated:** Do we have a board secretary? We ask a lot of Ms. Herring and we don't have a board secretary.

**President McDonald answered:** I was told that Ms. Herring was hired as a secretary to the board.

**Acting Secretary Edwards stated:** Ms. Herring was hired as the Emergency Manager's secretary, we do not have a secretary, we passed at a board meeting that Ms. Herring would post the meetings.

**President McDonald stated:** Now I stand corrected, we will be doing our own information from now on.

**Member Humphrey stated:** I think the best thing for the board members who do not have a copy of the Policies and Procedures, is to try to retrieve them from past board members, this is a lengthy document, about 700 pages, it's too much to copy.

**President McDonald stated:** I agree, that is why I suggested that we write a letter to past board members.

**Acting Secretary Edwards made motion to hold a special meeting on Tuesday, May 20<sup>th</sup> discuss the selling of the 20-32 Bartlett property.**

Moved by: Acting Secretary Edwards      Supported by: Member Holloway

**Motion: Carried**

#### Discuss the election process deadline

**President McDonald stated:** The deadline for filing your affidavit to run for office is July 16<sup>th</sup>. There is no primary for the school board. You do not have run in the August primary, the general election is in November.

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**XII. Citizen Participation**

Each citizen will be allotted two minutes to voice their concerns.

**Ms. Harris**

Ms. Harris asked: If this building is going to be closed, where will the transcripts go?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: We do not have that answer right now because the closing of the building is a recent action. There are three rooms of files that my staff and myself are responsible for. They can't be separated from the district.

**Ms. Harris**

Ms. Harris asked: Was an evaluation conducted on the Leona Group?

**Mr. Weatherspoon**

Mr. Weatherspoon answered: That is ongoing now.

**Margaret Lewis**

Ms. Lewis stated: My name is Margaret Lewis and I live in Highland Park. I came here before the board and the Emergency Manager to request that the district do whatever is necessary to eliminate the college level. Wayne County Community College District allows senior citizens, 60 years and older to take classes for free. Because Highland Park still has a 14 year district which includes the community college, the Highland Park citizens can't take free classes at WCCCD.

**Mr. Shafii**

Mr. Shafii asked: What was the debt of the school board before Dr. Weatherspoon came here? What is the current debt of the school board? I noticed a two hundred dollar hike in my taxes, which is for the debt the school board owes. I understand that the debt is currently at 24 million dollars and before Dr. Weatherspoon came it was considerably less. If the EM's job is to eliminate debt, why are they accumulating more debt?

**Mr. Weatherspoon**

Mr. Weatherspoon stated: What we came into was a lot of debt and unpaid bills. When the district was going down, it didn't pay bills. Unemployment, worker's compensation, health insurance, water bills and Detroit Edison, which is \$640,000 are some of the unpaid bills. That's why we had to borrow money to pay these bills.

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**Mr. Shafii**

Mr. Shafii stated: I am very uncomfortable with the City of Highland Park interfering with the school district business. The City of Highland Park is a separate entity and it is a conflict of interest for them to give you any advice about this school district.

**Adjournment**

Moved by Acting Secretary Edwards and supported by Member Holloway to adjourn the Board of Education Meeting. Following proper procedure, President McDonald adjourned the meeting at approximately 9:37 p.m.

Soyini Williams, Secretary,  
Board of Education



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Minutes Adopted: 5/27/14

# Attachments



## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into as of the \_\_\_\_<sup>th</sup> day of January, 2014 (the "Effective Date") by Highland Park Independent School District ("Seller") and Leo Lee, On behalf of an entity to be formed ("Purchaser").

In consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

- PROPERTY:** Seller agrees to sell and Purchaser agrees to purchase 20-32 Bartlett, Highland Park, Michigan, real property located in the City of Highland Park, County of Wayne, State of Michigan, legally described in the attached Exhibit A, together with (a) Seller's interest in any improvements, easements, covenants and other rights appurtenant to such land, (b) all fixtures, equipment and personal property located on or about the real estate or used in conjunction therewith, if any, (c) all licenses, permits and franchises issued by any State, Federal or local municipal authorities, relating to the use, maintenance or operation of the property, to the extent such licenses, permits and franchises are transferable, (d) all surveys, plans and specifications in possession or subject to the control of Seller relating to the construction of any existing improvements on the real estate, (e) all unexpired claims, warranties, guaranties and sureties received by Seller in connection with the construction, improvement or equipment of or on the property, and (f) all other rights relating to the property (collectively, the "Property") for the price and on the terms set forth in this Agreement.
- PURCHASE PRICE:** The purchase price for the Property shall be: One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "Purchase Price") payable to Seller at Closing via wire transfer or other immediately available funds through CONTINENTAL TITLE AGENCY, LLC ("Escrow Agent") Located at 1150 Griswold St. Ste. 1750 Detroit, MI 48226.
- EARNEST MONEY DEPOSIT:** Upon execution of this Agreement, Purchaser shall make an earnest money deposit with Escrow Agent in the amount of: Five Thousand Dollars (\$5,000.00) (the "Earnest Money"). The Earnest Money shall be held in Escrow Agent's non-interest bearing escrow account and shall be handled in accordance to the laws of the State of Michigan.
- CASH SALE** The Purchaser shall pay the full purchase price to the Seller, upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified below.
- CLOSING:** The sale shall be closed (the "Closing") on a date mutually agreeable to the parties, but in no event later than thirty (30) days after the later of expiration of the Inspection Period, as defined in Paragraph 10 herein. The Closing shall take place at the office of the Escrow Agent or any other mutually agreeable location. The Purchase Price, less the Earnest Money, and plus or minus pro-rations and closing adjustments as set forth in this Agreement, is due at the Closing of this transaction and shall be paid to Seller by the Escrow Agent at Closing. Seller shall deliver to Purchaser possession of the Property including all keys thereto and all of the items referred to in Section 1 above at Closing. The acceptance by Purchaser of the delivery of the Deed and such other items at Closing shall be, and be deemed to be, full performance and discharge of every agreement and obligation (either express or implied) on the part of Seller to be performed pursuant to this Agreement.

6. CLOSING DOCUMENTS:

A. In addition to the items referred to in Section 5 above, at Closing Seller shall:

- (1) Deliver to Purchaser a duly executed and acknowledged Warranty Deed in recordable form ("Deed"); and
- (2) Execute all other documents that are reasonably customary to close the transaction, in accordance with the terms and conditions of this Agreement.
- (3) Deliver to Purchaser evidence of Seller's authority to enter into this transaction, which evidence shall be satisfactory to the Title Company.

B. At Closing, Purchaser shall:

- (1) Pay the cash portion of the Purchase Price including pro-rations and adjustments, if any;
- (2) Execute such other and further documents necessary to close this transaction in accordance with the terms and conditions of this Agreement.

7. SALES EXPENSES TO BE PAID IN CASH AT OR PRIOR TO CLOSING:

A. **SELLER'S EXPENSES:** All costs of releasing and recording any release of Mortgage required by the terms of this Agreement. Seller responsible for real estate brokerage fees payable to Seller's Broker; Seller's legal fees and other expenses stipulated to be paid by Seller under provisions of this Agreement.

B. **PURCHASER'S EXPENSES:** All recording costs of the Deed, all state, and county transfer taxes, all of the title insurance premium for the title policy, all closing costs and escrow fees charged by the title company and any expenses stipulated to be paid by Purchaser under other provisions of this Agreement. In the event Purchaser elects to obtain a loan in connection with this transaction, Purchaser shall bear the cost of any and all expenses associated therewith.

8. PRO-RATIONS AND ADJUSTMENTS: The following shall be prorated and adjusted between Seller and Purchaser as of the time of Closing, except as otherwise expressly provided in this Agreement or the current Lease Agreement between the parties:

A. Purchaser shall continue to pay the cost of utility services up to the date of Closing per their existing lease agreement with Seller. Purchaser shall be responsible for the costs of utility services from the day after the Closing forward. Seller will not be responsible for payment of any utility charges after Closing. Purchaser shall make arrangements to transfer all utilities to the name of Purchaser as of the date of Closing and shall make any necessary utility deposits. Seller shall be entitled to receive a refund of utility service deposits, if any, covering the period prior to Closing.

B. All taxes, assessments which have become a lien upon the land, whether recorded or not recorded, at the date of this agreement shall be paid by the Seller. Current taxes, if any, shall be prorated and adjusted as of the date of closing in accordance with due date basis of the municipality or taxing unit in which the property is located.

C. Seller shall be responsible for payment of any special assessments that have become due prior to Closing. During the Inspection Period, Purchaser shall have the responsibility to investigate any special assessments and/or fees due after the date of Closing.

D. Such other items that are customarily prorated in transactions of this nature shall be prorated as of the Closing and, except as expressly provided herein, all pro-rations shall be final.

E. Real estate tax assessment reductions, tax refunds, and credits received after Closing, after deducting the expenses of collection thereof and payment of attorney's fees, shall be reimbursed to the party who made the payments.

F. The covenants and agreements set forth in this Section 8 shall survive the Closing.

9. **TITLE INSURANCE:** Within fifteen (15) days after the Effective Date, Seller shall deliver to Purchaser a commitment for an Owners Title Insurance Policy in the amount of the Purchase Price ("Title Policy") issued by Escrow Agent. The commitment shall show that Seller possesses fee simple title to the Property. Purchaser shall have fifteen (15) days from the date the commitment is delivered together with copies of all underlying title exceptions to give written notice to Seller of any objections to title. Purchaser need not object to liens and encumbrances that may be satisfied at Closing by payment, and Seller at its sole cost shall remove such liens and encumbrances from record title (but not through bonds or other title company assurances) on or before the Closing. If Purchaser gives Seller written notice of objections, Seller shall have thirty (30) days (or such later date as the parties may agree upon) from receipt of the notice to cure the objection. If Seller cannot or does not cure Purchaser's objections within this time frame, Purchaser may (1) proceed to Closing and take title to the Property subject to the objection, in which case the objection shall be considered to have been waived by Purchaser; or (2) elect to terminate this Agreement, obtain a refund of the Earnest Money, and neither party shall have further obligations hereunder. Except as provided above with respect to monetary liens and encumbrances, Seller shall have no obligation to cure a title defect.

10. **INSPECTIONS AND ACCESS:** Commencing on the Effective Date of this Agreement, Purchaser and its agents and contractors shall have a period of Thirty (30) days ("Inspection Period") to complete, at Purchaser's sole cost and expense, any inspections of the Property, including but not limited to physical or legal limitations of the Property and environmental restrictions and conditions including those discovered in any Phase I, Phase II and other applicable environmental site assessment reports, if any. Purchaser's obligations under this Agreement shall be subject to its approval of such inspections and inquiries. In the event that the condition precedent set forth in this Section 10 has not been satisfied or waived by Purchaser during the Inspection Period, Purchaser shall have the right to terminate this Agreement by written notice to Seller, in which event the Earnest Money shall be refunded to Purchaser and thereafter neither party shall have any further liability under this Agreement.

Purchaser has full access to the Property under terms of their current lease agreement with Seller to conduct inspections during the Inspection Period. Purchaser shall defend, indemnify and hold Seller harmless from and against any and all claims, demands, losses, costs and/or liabilities with respect to any injury or damage to person or property to the extent caused by or attributable to the acts or omissions of Purchaser and/or its contractors, representatives or other agents with respect to this Section 10. The obligations of Purchaser set forth in this Section shall survive Closing or the earlier termination of this Agreement.

11. **DUE DILIGENCE MATERIALS:** Purchaser acknowledges and understands that Seller has no surveys or building plans of the Property in Seller's possession, and Seller makes no representations or warranties of any kind, express or implied, with respect to the Due Diligence Materials. Seller represents to Purchaser that Seller has received no notice and has no knowledge that any chemical, hazardous or toxic wastes, substances or materials or similar materials have been generated, released, stored, disposed of or deposited on, into upon or below the surface of the Property or into any water systems on or below the surface of the Property, or any gasoline, oil or other underground or above ground tanks are now or have been located upon the Property. All materials utilized during due diligence investigation period shall be provided to seller in the event this transaction does not close.

12. **CONFIDENTIALITY:** The parties agree that the existence of this Agreement and the specific terms of this Agreement will remain confidential and will not be disclosed to third parties other than the attorneys, accountants, lenders, contractors and consultants engaged by the parties to assist in the negotiation and performance of this Agreement and who agree to be bound by a duty of confidentiality. All information obtained by Purchaser and its agents, employees, or contractors ("Purchaser's Agents") from Seller or its agents, employees, or contractors, including, but not limited to, the Due Diligence Materials, or by reason of any inspection of the Property, including, but not limited to, any data, surveys, written reports, field notes and drawings resulting from any inspection, survey, test or other inquiry (collectively "Confidential Information"), shall be held strictly confidential by Purchaser and Purchaser's Agents; provided, however, that such confidentiality obligation shall not apply to: (1) information that is or becomes part of the public record or public domain by actions other than Purchaser; (2) any information lawfully required to be submitted or disclosed to a third party pursuant to a court order, subpoena or other force of law; (3) information provided to contractors and consultants on a need-to-know basis in connection with the performance of Purchaser's inspection or due diligence rights hereunder; and (4) any period of time after Closing. Purchaser shall indemnify and hold Seller harmless from any and all claims, actions, losses, liabilities, or damages to the extent resulting from any activities on the Property by Purchaser or Purchaser's Agents or any disclosure of any Confidential Information in violation of this Section 12. The obligations of Purchaser under this Paragraph 12 shall survive the Closing or earlier termination of this Agreement.

13. **DEFAULT:**

A. Unless otherwise provided for herein, if Purchaser fails to comply with the terms and conditions hereof, Seller may terminate this Agreement, in which event the Earnest Money shall be due and payable to Seller as its liquidated damages. The parties agree that actual damages in the event of default are difficult to ascertain and further agree that the amount set forth as liquidated damages is a reasonable estimate of the damages to Seller in the event of Purchaser's default. Such sum is intended to be liquidated damages, and not a penalty.

B. If Seller defaults hereunder, Purchaser may, at its option: (1) have the Earnest Money delivered to Purchaser in full termination of this Agreement, or (2) specifically enforce the terms and conditions of this Agreement and receive reimbursement from Seller for all out-of-pocket fees and expenses incurred by Purchaser in connection therewith, including reasonable attorney and consultant fees and expenses. Purchaser acknowledges and agrees that under no circumstances shall Seller be liable for Purchaser's consequential, punitive, or speculative damages.

**14. REPRESENTATION, WARRANTIES AND COVENANTS OF PURCHASER: Purchaser represents, warrants and covenants to Seller as follows:**

A. Purchaser is a sophisticated purchaser and has reviewed all materials and/or had all materials reviewed by its own experts and consultants;

B. Purchaser acknowledges that, except as otherwise provided in this Agreement, it is purchasing the Property on an "AS-IS/ WHERE/IS" basis with no warranties of any kind, express or implied, either oral or written, made by Seller or any agent or representative of Seller, of any nature, including without limitation, any representations or warranties regarding the fitness of the Property for a particular use, compliance with any laws, rules, regulations or ordinances, the existence or absence of hazardous substances in, on, under or affecting the Property or the groundwater, and any other matters pertinent to the Property. Except as otherwise provided in this Agreement, any repairs or improvements which must be made are the responsibility of the Purchaser. Purchaser represents and warrants to Seller that Purchaser will inspect the entire Property to Purchaser's satisfaction prior to Closing and, upon Closing, shall, except as otherwise provided in this Agreement, accept the Property "AS-IS," releasing Seller from and waiving all claims against Seller, for any and all liabilities related to the condition of the Property, whether such liability is imposed by statute, regulation or ordinance or derived from common law. The release and waiver shall survive the Closing.

C. Purchaser has all requisite power and authority to consummate the transaction contemplated by this Agreement and has by proper proceedings duly authorized the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby;

D. This Agreement when executed and delivered by Purchaser and Seller, will constitute the valid and binding agreement of Purchaser enforceable against Purchaser in accordance with its terms;

E. To Purchaser's knowledge, neither the execution and delivery of this Agreement, nor the consummation of the transaction contemplated hereby will violate or be in conflict with (1) any provisions of law to the extent applicable to Purchaser, (2) any order of any court or government agency having jurisdiction over and to the extent applicable to the Purchaser, or (3) any agreement or instrument to which Purchaser is a party or under which Purchaser is bound;

F. There are no actions, suits, claims or other proceedings pending or, to the best of Purchaser's knowledge, contemplated or threatened against Purchaser that could affect Purchaser's ability to perform its obligations under this Agreement;

G. Purchaser has sufficient funds available to consummate the closing of the transaction described in this Agreement; and

H. From the Effective Date of this Agreement, Purchaser covenants to Seller that, in addition to the acts and deeds recited herein and contemplated to be performed, executed, and delivered by Purchaser, the Purchaser shall perform, execute, and deliver or cause to be performed, executed, and delivered at, prior to, or after the Closing, any and all further reasonable acts, deeds, and assurances as Seller or the title company may reasonably require in order to consummate the transactions contemplated herein.

15. **REPRESENTATION, WARRANTIES AND COVENANTS OF SELLER:** Seller represents, warrants and covenants to Purchaser as follows:

A. Seller is a sophisticated seller and has reviewed all materials and/or had all materials reviewed by its own experts and consultants;

B. Seller has all requisite power and authority to consummate the transaction contemplated by this Agreement and has by proper proceedings duly authorized the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby;

C. This Agreement when executed and delivered by Seller and Purchaser, will constitute the valid and binding agreement of Seller enforceable against Seller in accordance with its terms;

D. To Seller's knowledge, neither the execution and delivery of this Agreement, nor the consummation of the transaction contemplated hereby will violate or be in conflict with (1) any applicable provisions of law, (2) any order of any court or government agency having jurisdiction over the Seller, or (3) any agreement or instrument to which Seller is a party or under which Seller is bound;

E. There are no actions, suits, claims or other proceedings pending or, to the best of Seller's knowledge, contemplated or threatened against Seller or the Property that could affect Seller's ability to perform its obligations under this Agreement;

F. From the Effective Date of this Agreement, Seller covenants to Purchaser that, in addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by Seller, the Seller shall perform, execute and deliver or cause to be performed, executed and delivered at, prior to, or after the Closing, any and all further reasonable acts, deeds and assurances as Purchaser or the Title Company may reasonably require in order to consummate the transactions contemplated herein.

G. Seller has not received any written notice of any violation of any law, zoning ordinances or building rules or regulations affecting the Property nor has Seller received any notice of nor has Seller any knowledge of or information as to any existing or threatened condemnation or other legal action of any kind involving the Property.

H. No person, other than Purchaser by reason of this Agreement, has a right, option or right of first refusal to purchase all or any portion of the Property.

I. Seller has disclosed to Purchaser any and all known conditions of a material nature with respect to the Property that may affect the health or safety of any occupant of the Property. Except as disclosed in writing by Seller to Purchaser, to Seller's knowledge, the Property has no known latent structural defects or construction defects of a material nature, and none of the improvements have been constructed with materials known to be a potential health hazard to occupants of the Property.

16. **CONDEMNATION:** If, prior to the Closing, condemnation proceedings are commenced against any material portion of the Property (except for road widening), Purchaser may, at its option, terminate this Agreement by written notice to Seller within ten (10) days after Purchaser is advised of the commencement of such condemnation proceedings and the Earnest Money shall be refunded to Purchaser, or Purchaser shall have the right to proceed to consummate the purchase of the Property, in

which event Purchaser may appear and defend any such condemnation proceedings, and any award in condemnation shall become the property of Purchaser and the Purchase Price shall not be reduced.

17. **RISK OF LOSS:** Seller shall bear the risk of loss or damage to the Property from fire or other casualty until Closing. In the event of damage to or destruction of the Property by fire or other casualty prior to Closing, Purchaser or Seller may, at their option, within fifteen (15) days after notice thereof but in no event later than the date of Closing, either (1) terminate this Agreement and all rights and obligations hereunder, in which event the Earnest Money shall be returned immediately to Purchaser; or (2) negotiate a credit to be issued by Seller to Purchaser and elect to proceed with the purchase of the Property. After Closing, the risk of loss shall be and is assumed by the Purchaser. Seller shall retain Seller's insurance at all times, and it shall be the obligation of Purchaser to procure Purchaser's own policies of insurance to be effective from and after the date of Closing. Under no circumstance will Seller be obligated to turn over to Purchaser any insurance proceeds.

18. **BROKER'S COMMISSION:** Seller shall cause to be paid A brokerage commission amounting to Ten Thousand and 00/100 Dollars (\$ 10,000.00 ) shall be paid to listing broker. Said fee shall be due and payable upon the closing of this sale.

19. **NOTICES:** Any notice pursuant to this Agreement shall be given in writing and, any laws to the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served by personal delivery, by mailing the same to the other party by certified mail, return receipt requested, or by overnight nationally-recognized courier service, provided a receipt is required, or prepaid facsimile transmission (provided that the receipt of such facsimile transmission is mechanically confirmed), to the designated address provided below or at such other address as either party may from time to time designate by notice given to the other. The date of receipt of the notice or demand shall be deemed the date of the service thereof (unless the notice or demand is not received or accepted in the ordinary course of business, in which case the date of mailing shall be deemed the date of service thereof). Notices shall be sent:

If to Seller:                    Gregory Weatherspoon (Emergency Financial Manager)  
   Highland Park Independent School District  
   Highland Park, MI 48203

If to Purchaser:                \_\_\_\_\_  
   \_\_\_\_\_  
   \_\_\_\_\_

With a copy to:                Colliers International  
   Attn: Al Ellis  
   2 Corporate Drive, Ste. 300  
   Southfield, MI 48076  
   (248) 540-1000  
   albert.ellis @ colliers.com

Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depository maintained by the U.S. Postal Service, the express mail service or overnight courier within the United States of America, except that a notice of a

change of address shall be deemed given when actually received. Seller's affidavit of the date and time of deposit in a mailbox or with the express mail service or the postmark, whichever is earlier shall constitute evidence of the effective date when the notice has been given.

20. **NO RECORDING:** Neither this Agreement nor any type of memorandum thereof shall be recorded with the office of the Recorder of Deeds or with any other governmental agency, and any purported recordation or filing hereof by Purchaser shall constitute a default on the part of Purchaser.

21. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements. There are no representations, agreements arrangements or understandings oral or written between the parties, including the Broker, relating to the subject matter contained in this Agreement which is not fully expressed or referred to herein.

22. **SUCCESSORS AND ASSIGNS:** The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of the Seller and its successors and assigns. This Agreement may not be assigned by Purchaser without prior written consent of Seller. Seller's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement nor give rise to any claim for damages against Seller. Notwithstanding any provision herein to the contrary, (a) Purchaser shall have the right to assign or transfer this Agreement and its rights hereunder to any related or affiliated entity and upon any such assignment or transfer, Purchaser shall notify Seller, and (b) neither this Agreement nor the rights of Seller hereunder may be assigned or transferred in whole or in part by Seller to any other person or entity whatsoever without the prior written consent of Purchaser, except that Seller shall have the right to assign or transfer this Agreement and its rights hereunder to any related or affiliated entity and upon any such assignment or transfer, Seller shall notify Purchaser.

23. **SEVERABILITY:** If any clause or provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction as against any person or under any circumstances, the remainder of this Agreement and the applicability of any such clause or provision to other persons or circumstances shall not be affected thereby. All other clauses or provisions of this Agreement, not found invalid or unenforceable shall be and remain valid and enforceable.

24. **TIME AND DATE OF PERFORMANCE:** Time is of the essence in this Agreement. If any date for performance hereunder falls on a Saturday, Sunday or other day which is a federal holiday or holiday under the laws of the state in which the Property is located, the date for such performance shall be the next succeeding business day.

25. **STRICT COMPLIANCE:** Any failure by either party to insist upon strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by the other of any and all of the provisions of this Agreement.

26. **GOVERNING LAW:** The provisions of this Agreement shall be governed by, and construed and enforced in accordance with the laws of the state of Michigan without regard to the principles of the conflicts of laws of the state of Michigan.



27. **WAIVER OF JURY TRIAL:** Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

28. **ATTORNEYS FEES:** A party to this Agreement who is the prevailing party in any legal proceeding against any other party brought under or with respect to this Agreement or the transaction contemplated hereby shall be additionally entitled to recover court costs and reasonable attorney's fees from the non-prevailing party.

29. **NO ORAL CHANGES:** This Agreement may be modified or amended only by a written instrument executed by the parties hereto.

30. **FIRPTA:** Seller represents and warrants to Purchaser that Seller is not a "foreign person", as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA"). At or prior to the Closing, Seller shall execute and deliver to Purchaser an affidavit stating that Seller is not a "Foreign Person" within the meaning of FIRPTA.

31. **NO PRESUMPTION REGARDING DRAFTING:** It is acknowledged and presumed that the substance and form of this Agreement have been fully reviewed by the parties hereto and approved as to form by their respective counsel. It is further acknowledged and agreed that no presumption shall exist against either party hereto by virtue of this Agreement being considered to have been drafted by counsel for either party thereto.

32. **MISCELLANEOUS:**

A. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context requires otherwise.

B. The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to paragraphs, subparagraphs or other provisions are references to paragraph, subparagraphs or other provisions of this Agreement.

C. Any singular word or term herein shall also be read as in the plural whenever the sense of this Agreement may require it.

D. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

E. Seller agrees that from the Effective Date to the Closing or termination of this Agreement, Seller shall conduct its business involving the Property in the ordinary course, and during said period will:

- (1) Refrain from transferring any of the Property or creating on the Property any easements, liens, mortgages, encumbrances or other interests that would adversely affect the Property or Seller's ability to comply with the terms of this Agreement;
- (2) Refrain from entering into any contracts, leases or other commitments regarding the Property, other than contracts in the ordinary and usual course of business, without the prior written consent of Purchaser;
- (3) Continue to maintain and repair the Property in at least the manner which Seller has previously maintained and repaired the Property;
- (4) Refrain from negotiating with respect to or otherwise dealing in the leasing of the Property or any interests therein or portion thereof;
- (5) Keep in effect Seller's existing policies of public liability and hazard and extended coverage insurance insuring the Property, if any; and
- (6) Promptly comply or cause there to be compliance with all notices of violation of laws or municipal ordinances, regulations, orders or requirements of departments of housing, building, fire, labor or health, or other state, city or municipal departments or other governmental authorities having jurisdiction against or affecting the Property or the use or operation thereof.

33. **COUNTERPARTS:** This Agreement may be executed in multiple counterparts all of which when taken together shall constitute a binding agreement between the parties hereto. For purposes of executing this Agreement, a document signed and transmitted electronically or by facsimile shall be treated as an original document. The signature of any party thereon shall be considered as an original signature, and the document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document shall be re-executed by both parties in original form. This Paragraph does not supersede the requirements of the "Notices" Paragraph.

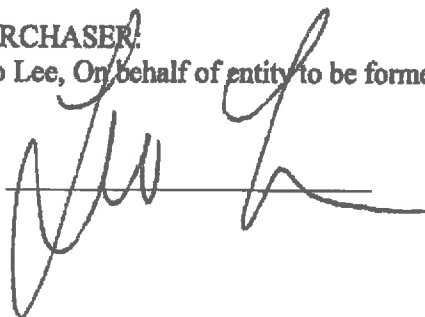
34. **IN WITNESS HEREOF,** Purchaser and Seller agree that the Date of this Agreement shall be the Effective Date specified herein.

**SELLER:**  
Highland Park Independent School District

By: \_\_\_\_\_  
Gregory Weatherspoon  
Its: Emergency Financial Manager

**PURCHASER:**  
Leo Lee, On behalf of entity to be formed

By: \_\_\_\_\_  
Its: \_\_\_\_\_



**LISTING BROKER:**  
\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**Exhibit 'A'**

The associated parcel ID or Sidwell # is: 43-006-01-0020-000

**Legal Description: 1873 TO 1882 LOTS 20 TO 29 INCL ALSO E 20FT LOT 20 ALSO ADJ  
VAC ALLEY ASSESSOR'S HIGHLAND PARK PLAT NO. 1 T1S R11E L66 P24 WCR**

**LOCAL FINANCIAL STABILITY AND CHOICE ACT (EXCERPT)**  
**Act 436 of 2012**

**141.1554 School district in receivership; additional actions.**

Sec. 14. In addition to the actions otherwise authorized in this act, an emergency manager for a school district may take 1 or more of the following additional actions with respect to a school district that is in receivership:

- (a) Negotiate, renegotiate, approve, and enter into contracts on behalf of the school district.
- (b) Receive and disburse on behalf of the school district all federal, state, and local funds earmarked for the school district. These funds may include, but are not limited to, funds for specific programs and the retirement of debt.
- (c) Seek approval from the superintendent of public instruction for a reduced class schedule in accordance with administrative rules governing the distribution of state school aid.
- (d) Subject to section 19, sell, assign, transfer, or otherwise use the assets of the school district to meet past or current obligations or assure the fiscal accountability of the school district, provided the use, assignment, or transfer of assets for this purpose does not impair the education of the pupils of the school district. The power under this subdivision includes the closing of schools or other school buildings in the school district.
- (e) Approve or disapprove of the issuance of obligations of the school district.
- (f) Exercise solely, for and on behalf of the school district, all other authority and responsibilities affecting the school district that are prescribed by law to the school board and superintendent of the school district.
- (g) With the approval of the state treasurer, employ or contract for, at the expense of the school district, school administrators considered necessary to implement this act.

**History:** 2012, Act 436, Eff. Mar. 28, 2013.

**Compiler's note:** Enacting section 2 of Act 436 of 2012 provides:

"Enacting section 2. It is the intent of the legislature that this act function and be interpreted as a successor statute to former 1988 PA 101, former 1990 PA 72, and former 2011 PA 4, and that whenever possible a reference to former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state or to a function or responsibility of an emergency financial manager or emergency manager under former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state shall function and be interpreted to reference to this act, with the other laws of this state referencing former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, including, but not limited to, all of the following:

- (a) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
- (b) 1966 PA 293, MCL 45.501 to 45.521.
- (c) 1851 PA 156, MCL 46.1 to 46.32.
- (d) The general law village act, 1895 PA 3, MCL 61.1 to 74.25.
- (e) The home rule village act, 1909 PA 278, MCL 78.1 to 78.28.
- (f) The fourth class city act, 1895 PA 215, MCL 81.1 to 113.20.
- (g) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
- (h) The metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
- (i) 1947 PA 336, MCL 423.201 to 423.217."

**LOCAL FINANCIAL STABILITY AND CHOICE ACT (EXCERPT)**  
**Act 436 of 2012**

**141.1555 Sale of asset worth more than \$50,000.00; payment of benefit upon death of police officer or firefighter.**

Sec. 15. (1) Unless the potential sale and value of an asset is included in the emergency manager's financial and operating plan, the emergency manager shall not sell an asset of the local government valued at more than \$50,000.00 without the state treasurer's approval.

(2) A provision of an existing collective bargaining agreement that authorizes the payment of a benefit upon the death of a police officer or firefighter that occurs in the line of duty shall not be impaired and is not subject to any provision of this act authorizing an emergency manager to reject, modify, or terminate 1 or more terms of an existing collective bargaining agreement.

**History:** 2012, Act 436, Eff. Mar. 28, 2013.

**Compiler's note:** Enacting section 2 of Act 436 of 2012 provides:

"Enacting section 2. It is the intent of the legislature that this act function and be interpreted as a successor statute to former 1988 PA 101, former 1990 PA 72, and former 2011 PA 4, and that whenever possible a reference to former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state or to a function or responsibility of an emergency financial manager or emergency manager under former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state shall function and be interpreted to reference to this act, with the other laws of this state referencing former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, including, but not limited to, all of the following:

- (a) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
- (b) 1966 PA 293, MCL 45.501 to 45.521.
- (c) 1851 PA 156, MCL 46.1 to 46.32.
- (d) The general law village act, 1895 PA 3, MCL 61.1 to 74.25.
- (e) The home rule village act, 1909 PA 278, MCL 78.1 to 78.28.
- (f) The fourth class city act, 1895 PA 215, MCL 81.1 to 113.20.
- (g) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
- (h) The metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
- (i) 1947 PA 336, MCL 423.201 to 423.217."

**LOCAL FINANCIAL STABILITY AND CHOICE ACT (EXCERPT)**  
**Act 436 of 2012**

**141.1559 Proposed action; submission to local governing body; approval or disapproval; alternative proposal.**

Sec. 19. (1) Except as otherwise provided in this subsection, before an emergency manager executes an action under section 12(1)(k), (r), or (u) or section 14(d), he or she shall submit his or her proposed action to the governing body of the local government. The governing body of the local government shall have 10 days from the date of submission to approve or disapprove the action proposed by the emergency manager. If the governing body of the local government does not act within 10 days, the proposed action is considered approved by the governing body of the local government and the emergency manager may then execute the proposed action. For an action under section 12(1)(r) or section 14(d), this subsection only applies if the asset, liability, function, or responsibility involves an amount of \$50,000.00 or more.

(2) If the governing body of the local government disapproves the proposed action within 10 days, the governing body of the local government shall, within 7 days of its disapproval of the action proposed by the emergency manager, submit to the local emergency financial assistance loan board an alternative proposal that would yield substantially the same financial result as the action proposed by the emergency manager. The local emergency financial assistance loan board shall have 30 days to review both the alternative proposal submitted by the governing body of the local government and the action proposed by the emergency manager and to approve either the alternative proposal submitted by the governing body of the local government or the action proposed by the emergency manager. The local emergency financial assistance loan board shall approve the proposal that best serves the interest of the public in that local government. The emergency manager shall implement the alternative proposal submitted by the governing body of the local government or the action proposed by the emergency manager, whichever is approved by the local emergency financial assistance loan board.

**History:** 2012, Act 436, Eff. Mar. 28, 2013.

**Compiler's note:** Enacting section 2 of Act 436 of 2012 provides:

"Enacting section 2. It is the intent of the legislature that this act function and be interpreted as a successor statute to former 1988 PA 101, former 1990 PA 72, and former 2011 PA 4, and that whenever possible a reference to former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state or to a function or responsibility of an emergency financial manager or emergency manager under former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state shall function and be interpreted to reference to this act, with the other laws of this state referencing former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, including, but not limited to, all of the following:

- (a) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
- (b) 1966 PA 293, MCL 45.501 to 45.521.
- (c) 1851 PA 156, MCL 46.1 to 46.32.
- (d) The general law village act, 1895 PA 3, MCL 61.1 to 74.25.
- (e) The home rule village act, 1909 PA 278, MCL 78.1 to 78.28.
- (f) The fourth class city act, 1895 PA 215, MCL 81.1 to 113.20.
- (g) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
- (h) The metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
- (i) 1947 PA 336, MCL 423.201 to 423.217."

**SAMPLE AGENDA  
For  
Districts Operating Under Emergency Manager**

1. Call to Order
2. Roll Call
3. Public Commentary
4. Communications
5. Student Representative Comments/Report

**Action Items**

6. Consent Agenda ( Support Material Included in Agenda Packet)
  - a) Approval of Minutes
  - b) (Other Appropriate Items)

**Discussion and Update Items**

7. Committee Updates
  - Legislative Advocacy/Action
  - Other
8. Emergency Manager Comments/Update
  - Up-coming workshops/meetings
9. Board Member Comments
  - Board Self-Evaluation

10. Next Meeting

Adjournment